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EDITED BY ALBERT SHAW

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THE PROGRESS OF THE WORLD

BY ALBERT SHAW

Our three coördinate branches of government—legislative, executive, judicial—vary in relative importance through the years as a result of leadership in the White House or at the Capitol.

GOVERNMENT in theory is one thing and government as it works in practice may be something very different. We had an unusual opportunity early in January to observe the government at Washington as a going concern, and to note some contrasts between the abstract and the concrete. President, Congress, Supreme Court—the three “coördinate” and equal branches of federal authority—were all functioning at close range and in full consciousness of their powers and responsibilities.

Under new arrangements fixed in a constitutional amendment that was ratified in 1933, Congress is obliged to begin its regular sessions every year on January 3. In time to come the effect of this change will be greater, in our opinion, than has yet been anticipated by any but a few thoughtful students and close observers. With the December-March 4 short or “lame-duck” session abolished, each new Congress will be in session two months after election, and will naturally tend to remain at Washington for longer average periods. Congress will work more deliberately, and with higher prestige. In short, the legislative branch will almost certainly recover some of its seemingly lost vitality and initiative.

When Wilson Wrote

Woodrow Wilson's first book, published fifty years ago, was entitled “Congressional Government”. He wrote it while he was a post-graduate student of history, government, and politics at the Johns Hopkins University. He had studied law at Charlottesville and practised for a year in Atlanta after graduating at Princeton in 1879. He had decided in 1883 to

take up an academic career, with politics and government as the principal objects of his research as a scholar and as the broad field within which he would endeavor to guide and instruct future students, and the American public as well.

Mr. Wilson had been much influenced by the study of English government, especially by certain essays in which a brilliant writer, Walter Bagehot, had drawn striking contrasts between the legal doctrines of the British constitution and the practical functioning of the different parts of the governmental machine. Wilson was well versed in the books that expound the written Constitution of the United States, and in the decisions of the Supreme Court, especially those of John Marshall that had clarified the Constitution as applied to fundamental situations in the country's expanding life. But he chose in 1885 to look away from books and examine our actual government, as it had been working for a number of years past, in order to find the center of effective influence and control.

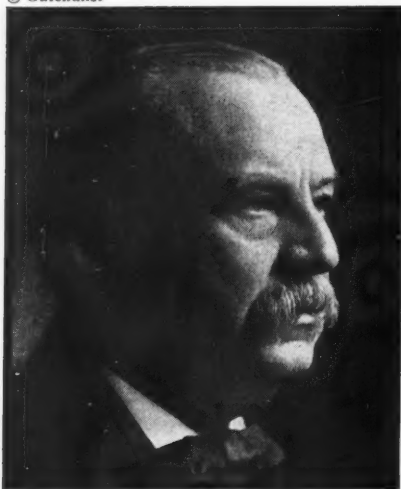
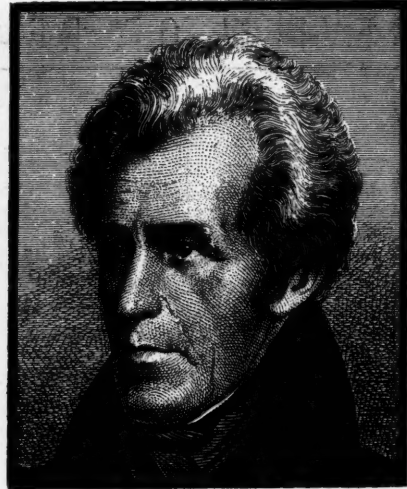
Having in mind chiefly the post-war presidential terms of Andrew Johnson, Grant, Hayes, Garfield, Arthur, and Grover Cleveland (at the beginning of Cleveland's first term), Mr. Wilson reached the conclusion that the real control of our governmental machine was to be found in the committee-rooms of Congress. In those days the Speaker of the House of Representatives appointed the committees; and under the rules of that chamber he could exercise a sweeping power that has since been virtually abolished.

A book that has become obsolete as a guide to existing conditions may have surviving value for purposes of

comparison. Wilson's little volume was widely read, and its main argument could not then be disproved. It preserves for us, in attractive form and manner, an examination of the government at Washington as it was actually working when Wilson began to write and lecture on that theme. In one respect, certainly, this book is not obsolete. It inculcates a method of direct observation and study that deals with political realities at any given time. Frank Kent, Mark Sullivan, David Lawrence, Raymond Clapper, and other Washington journalists are reporting, by this very method, upon the working of the government machinery day by day. A few political scientists are analyzing the stupendous changes of momentum and assertion that have now submerged “congressional government”, and given us a personal, extra-constitutional government at the hands of the Chief Executive.

Cleveland's Ideas

We will not undertake in these comments to answer precisely the question that any reader might ask, namely: When did congressional control of the government begin to lose something of its dominance? In the theory of the Constitution, Congress makes the laws and the President merely executes them. Grover Cleveland entered upon his first term in March, 1885, in a spirit of the utmost deference to the legislative branch. He did not believe in the dominance of the Executive. The President could report to Congress upon the work of the departments and the country's general position at home and abroad; but Cleveland had no idea that it was the President's business to instruct

**CLEVELAND****WILSON****JACKSON**

Congress upon major lines of policy, much less to fight valiantly for personal control.

Cleveland even went so far as to declare that the President should be limited to a single term in order to prevent the abuse of appointing power, and the use of undue influence in various ways to secure his own renomination and election to a second consecutive term. In his fourth year at the White House, however, he was persuaded by his Cabinet and the office-controlling Democratic machine to renounce the one-term declaration he had made when first elected, and to allow his supporters to secure his renomination in the Democratic Convention. He was, thereupon, defeated at the polls in 1888 by Benjamin Harrison. But in 1892 (having been nominated in spite of the protests of the Tammany-controlled delegation from his own state of New York) Mr. Cleveland was elected for a second term that extended to March 4, 1897.

Party Control

In this second term the country discovered a new Grover Cleveland. A study of his first administration reveals him as having convictions against the spoils system and in favor of tariff reform. He had soon found that he must modify his earlier view to the effect that the president's function was to be confined almost entirely to the work of executing such laws as Congress chose to make. He found that the White House could not well avoid identifying itself with broad lines of public policy. Under our party system there had to be personal leadership exercised in one place or in another. The Republican party had been more coherent; and while it was in power for twenty years after the end of the war and after the death

of Lincoln, such leadership was actually exerted for the most part by powerful partisan chieftains in the halls of Congress, serving as Chairmen of Committees named by the Speaker and acting with him as an oligarchy.

But Grover Cleveland found four principal and distinct groupings within the so-called Democratic fold, and there was not enough coherence for a strong assertion of unified Democratic policy in Congress. The White House and Cabinet had to step out and try to win control. In his second term, Cleveland was definitely identified with the old conservative Democracy of the East. He was opposed by the spoilsmen of Tammany, controlling the Democratic machine of his own state of New York. He found himself opposed also, on quite different grounds, by the new radical Democracy of the West. The largest factor of the four elements that made up the party was the Solid South; and on points of pending policy the South became hopelessly divided in Cleveland's time. He declared in his second inaugural message, in 1893: "So far as the executive branch of the government can intervene, none of the powers with which it is invested will be withheld when their exercise is deemed necessary to maintain our national credit or avert financial disaster".

He proceeded to secure the repeal of the Sherman Silver Purchase Act. He maintained the gold standard by measures which he and his Cabinet initiated, resisting terrific pressure in Congress for the sharp devaluation of the dollar that would have resulted (under bullion conditions at that time) from the opening of the mints to the free coinage of silver at the ratio of 16 to 1. He conducted a foreign policy of surprising boldness

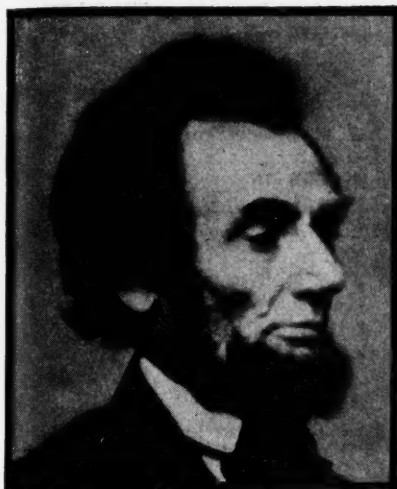
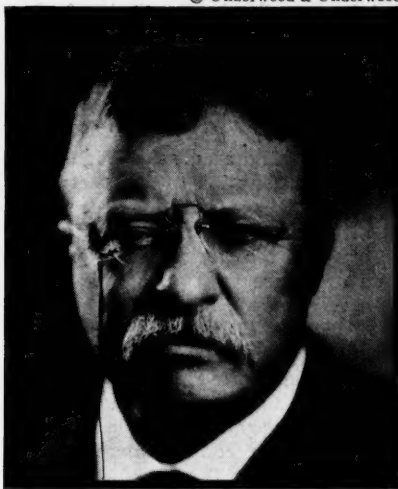
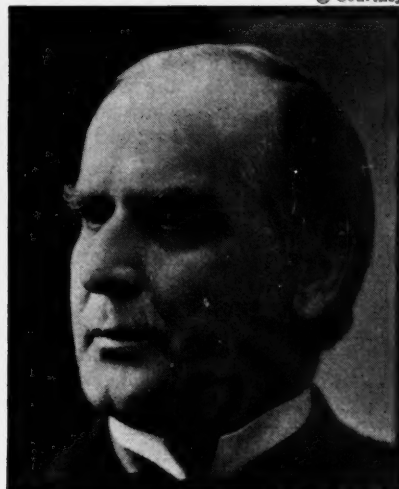
and vigor. He refused to allow a strike in Chicago to interfere with the carrying of the United States mails, thus defying rebellious aggression on the part of organized labor while also striking at a fallacious assertion of the doctrine of States' Rights.

Presidents as Leaders

In 1908, twenty-three years after Woodrow Wilson had published his first volume, there appeared his "Constitutional Government in the United States" intended to present "some of the more salient features from a fresh point of view and in the light of a fresh analysis of the character and operation of constitutional government." Five years after its publication Mr. Wilson himself was inaugurated as President. Few changes during a quarter-century had occurred in the nature or legal theory of the Constitution; but there had been much variation in its working, through altered circumstances and conditions.

"From 1865 to 1898 domestic questions, legislative matters in respect of which Congress had naturally to make the initial choice, legislative leaders, the chief decisions of policy, came once more to the front; and no President except Mr. Cleveland played a leading and decisive part in the quiet drama of our national life. Even Mr. Cleveland may be said to have owed his great role in affairs rather to his own native force and the confused politics of the time, than to any opportunity of leadership naturally afforded him by a system which had subordinated so many presidents before him to Congress."

Following this observation Mr. Wilson showed how the war with Spain again changed the balance, so that President McKinley, like Mr. Lincoln

**LINCOLN****ROOSEVELT****McKINLEY**

in the Civil War period, became of necessity the leader of the government and of the country. In his fifth year as President, McKinley was assassinated and Theodore Roosevelt became President for the ensuing seven and a half years. Wilson's later volume (from which we are quoting) was published just a year before the retirement of Roosevelt and the accession of Taft. It was with Roosevelt in mind that Wilson observed: "Our new place in the affairs of the world has since that year of transformation kept the President at the front of our government, where our own thoughts and the attention of men everywhere are centered upon him."

What had happened had involved no change in the Constitution as written. Nor had there been any conscious change on the part of the public in the relative prestige and authority of the coordinate branches of the government. There had been good conscience and good faith at the White House, in Congress, and in the Supreme Court.

Mr. Bagehot, the English economist and political philosopher, had said that the success of the Americans in running a government was no proof of the excellence of our constitutional machinery. The Americans, he declared, could run any constitution successfully. This was intended to compliment us on the prevailing common sense of our countrymen, their intelligence, and their habit of accepting calmly the verdicts of popular majorities.

When Mr. Wilson gave the Columbia University lectures in the autumn of 1907 that formed the basis of his "Constitutional Government", he was far detached from the stirring scenes of practical politics. But he had been a constant and by no means unfriendly observer of Theodore Roose-

velt's activities, following those of McKinley and Cleveland. With Roosevelt in mind, Wilson declared regarding the President:

"He has become the leader of his party and the guide of the nation in political purpose, and therefore in legal action. The constitutional structure of the government has hampered and limited his action in these significant roles, but it has not prevented it. The influence of the President has varied with the men who have been Presidents, and with the circumstances of their times; but the tendency has been unmistakably disclosed, and springs out of the very nature of government itself. It is merely the proof that our government is a living, organic thing, and must, like every other government, work out the close synthesis of active parts which can exist only when leadership is lodged in some one man or group of men."

The Man and the Job

Quite apart from theories and tendencies, the presidency in any given term was bound to be greatly affected by the qualities of the incumbents. Wilson was, certainly, seeing things in the light of marked changes of practical balance when he wrote: "The President is at liberty, both in law and conscience, to be as big a man as he can. His capacity will set the limit; and if Congress be overborne by him, it will be no fault of the makers of the Constitution—it will be from no lack of constitutional powers on its part, but only because the President has the nation behind him, and Congress has not. He has no means of compelling Congress, except through public opinion."

John N. Garner was a candidate for the presidency at the convention

in 1932, and so was Alfred E. Smith. If one or the other of them had been nominated, he would have been elected. Who can suppose that either of them in the White House would have adopted methods even faintly resembling those that have been pursued by Franklin D. Roosevelt? Yet public opinion at the outset, in 1933, would have given full support to the President; and Congress under conditions then existing would have been as ready to cooperate with Smith or Garner as it was in fact with "F. D. R." It happens that Garner had served at Washington through a congressional experience of thirty years, preceded by four years in the Texas legislature. If he had been translated to the White House it would have been mentally and morally impossible for him to have forced upon Congress a mass of novel legislation prepared by his own private and personal advisers. Mr. Smith had served many years in both branches of the New York legislature and had filled four terms as Governor. His leadership had been of a sympathetic and harmonious quality, highly constructive while strictly within recognized lines of authority, and never autocratic.

By the time Mr. Wilson had passed from the presidency of Princeton University through a sudden experience as Governor of New Jersey to the position of President of the United States, he had convinced himself that the Democratic party—still made up of four stubbornly discordant elements—could only be held together by the dominating leadership of the man who had won the nomination after a hard fight, while gaining an easy election through the temporary disruption of the opposing party. In his first term Wilson did not hesitate to assert presidential leadership in tariff reform and other domestic poli-

cies with Congress cooperating and with notable success.

The manner in which he played his dominating part in the stupendous crisis of foreign war, and in subsequent peace negotiations, will remain a subject of controversy for a long time to come. Ray Stannard Baker has just now brought out an additional volume of his authorized biography of Wilson, dealing with the management of our affairs during the period of neutrality prior to our entering the War in 1917. Excepting that of Lincoln, the Wilson administration has been the most momentous in our history under the Constitution. Assuredly we were under the spell of presidential government, with Congress subordinated, until Wilson returned from Paris with the Versailles Treaty in his hand.

Last month at Washington the Nye Committee of the Senate was investigating the more hidden circumstances that led us to abandon neutrality and take up arms in 1917. Mr. J. P. Morgan and his partners, who were war-time agents of the British and French governments, were examined regarding loans made to the Allies and munition purchases here on a huge scale, with Wilson's knowledge and encouragement, although we were professedly neutral. There are those who believe, with increasing reliance upon what they regard as convincing evidence, that if Charles E. Hughes had been elected President in 1916 we would have asserted our position as a neutral nation with such vigor and efficiency that we could not possibly have drifted into the maelstrom of Europe's war. If the nation fails to give clear verdicts, and if Congress lacks strong and dominating leaders, the force of circumstances may overwhelm the judgment of the man in the White House. Under such circumstances, great issues may turn upon obscure physical conditions or mental characteristics. Wilson had shown in his volume of 1908 how a President might so use his power as to lead the nation into war in spite of its reluctance. That he was to do this himself, within less than ten years, could not have been imagined by him.

Public Opinion

Most of the excessive fluctuations in the world's political and economic life during the past two decades have been due to Europe's War, that began in the summer of 1914. It is also within bounds to say that our own chief difficulties during the last fifteen years have been due to the unfortunate fact that we went to Europe ourselves in a vain endeavor to set the world aright, prolonging the war and

gaining no thanks. America had a larger motive, however, than to avenge some incidental grievances against Germany. Regardless of verdicts respecting Wilson's statesmanship or his sagacity, future opinion will give him credit for high purposes in attempting to end the world war; and there will be recognition of his efforts at the Peace Conference to organize the world for the prevention of future wars of aggression or imperial rivalry.

The issue of presidential mastery, with Congress in leading strings, was not at stake while Harding and Coolidge were in the White House. No one could accuse such men of overstraining their constitutional authority. The same thing could be said of President Hoover, during whose term there emerged certain disturbing aspects of dominance on the part of Congress. Presidential leadership finds full scope only when public opinion compels Congressional majorities to acquiesce in the policies advanced by the White House. In such times the President, as a rule, is not only leader of the nation but is also the accepted head of a party in control of both houses of Congress.

Hostile Congresses

Mr. Hoover could not appear on the stage with the masterfulness of an Andrew Jackson, or with the influence and strength of a McKinley or a Cleveland, because Congress during both halves of his single term was controlled by malignant enemies of his administration. This was not true of the House of Representatives in his first two years, but it was true of the Senate. In his last two years the Senate was even more hostile, while the House, coming under Democratic organization, behaved at times like a turbulent mob, refusing to be guided by the leaders of either party. This was true at critical moments when leaders of both parties in the Ways and Means Committee, acting in accord with the special Economy Committee of the House, were patriotic enough to recognize the merit of President Hoover's budgetary and financial proposals.

Mr. Hoover was defeated at the polls in the first week of November, 1932; yet he was obliged to continue in nominal authority for four long months, until released from official duties on March 4. A new Congress had been elected with greatly changed personnel and with an immensely increased Democratic majority. Yet in the first week of December the old Congress was required to assemble and to face economic and financial conditions of extreme difficulty, which it had no moral or political vitality

to attack and conquer. This old Congress was nominally Republican in one House, while Democratic by a slight margin in the other.

Mr. Hoover was a statesman, and a master of economic expedients. But the country that in 1928 had conferred upon him the prestige of national leadership by majorities that overwhelmed even the Solid South, had in 1932 rejected his leadership by majorities still greater. In that last "lame-duck" session the affairs of the country were drifting badly, through no fault of President Hoover. Waiting in the offing was a President-elect. Hanging about Washington were scores of Democratic members-elect of the Seventy-third Congress. It could not meet for a full year or so, unless called into special session by the new President.

Never since the election of Abraham Lincoln and a new Republican Congress in 1860 had the so-called interregnum seemed so tedious and illogical. After the election of 1860 the country was rapidly undergoing dissolution. James Buchanan was wringing his hands in the White House, anxious to stop the secession movement but unable to do anything about it. The hold-over Congress was largely made up of disaffected southern planters. It seemed the worst four months in American history. During that time leaders were vainly endeavoring to think out a compromise that would avert civil war. The President-elect was finding his courage for the emergency. He realized that he would have to assume dictatorial authority under the war powers granted by the Constitution for such occasions.

Since Hoover, who had been virtually dismissed by popular recall, could exercise no sufficient authority to avert an economic catastrophe that was crossing the Atlantic from Europe, and since Franklin Roosevelt—invested with a certain moral authority by the voters but having no legal status—could only wait on the sidelines, the country was once more aware, after a respite of seventy-two years, that there was something dangerously wrong with the overlapping arrangements fixed in our constitutional calendar.

No More Lame Ducks

It so happened that the Twentieth Amendment had been submitted to the states in 1932. The legislatures were in session in January, 1933, at the middle point of the excruciating period of deadlock and delay at Washington. They lost no time in accepting the amendment. Early in February, 39 of the 48 states had ratified it, followed by the remaining nine

within a few months.

When we elect a new Congress next November it will be in session two months later, on January 3. The present term of Franklin Roosevelt will end at noon on January 20. The Republicans may not win a majority of seats in the Seventy-fifth Congress, but everyone concedes that they will make large gains. In the present House, as elected in November, 1934, there were 322 Democrats, 102 Republicans and ten independents. Republicans next winter will not have to wait about, during a post-election term of the Seventy-fourth Congress. This will be recognized on all sides as an advantage.

Lincoln in 1861

It should be held in grateful recognition, however, that we would have no reason to expect a recurrence of catastrophes, like those of three years ago, whether legal dates had or had not been made more convenient. It was not Mr. Lincoln in 1861 who assumed of his own accord the full direction of national affairs. He merely recognized the emergency, acted on his own judgment, and took his chances. He could not save the Constitution unless he could save the country. He moved on his own line, and did not even call his Republican Congress into session until July. He was at odds with Chief Justice Taney, and other judges federal and state. His military commanders were instructed to put down insurrection, and disregard *habeas corpus* writs, no matter by whom issued, if a local situation demanded martial law.

When Congress was convened in special session, Lincoln made a full statement of all that he had done. He asked for legislation to ratify and sustain his assumption of a presidential dictatorship. Throughout his entire term, he had to play a game of extra-constitutional politics, while he was trying to save the country, so that it could go forward in deference to its Constitution, under normal skies.

The Republicans held in the winter of 1932-3 that President-elect Franklin Roosevelt should have risen above partisanship and cooperated with President Hoover in urging upon Congress certain needful measures. It was argued that he could thus have saved us from the panic of fear that caused hoarding and withdrawal of deposits, with temporary collapse of the bank system and paralysis of trade and commerce. Perhaps many of us expressed that opinion at the time, from a non-partisan standpoint. But while this is a matter that will be recalled in future studies of the period, it has no pertinence now.

The thing now to be remembered,

by the opponents as well as the supporters of Franklin D. Roosevelt, is the fact that the assumption of extra-constitutional leadership was fairly forced upon the President by relentless pressure of public opinion. The country in that moment of seeming ruin would probably have justified dictatorship pure and simple, regardless of Congress and the Constitution.

But the emergency was economic and financial; and it was actually easier to proceed by legal methods than in disregard of them. The universal mandate that forced Franklin Roosevelt to take the lead also forced Congress to keep step with him, and lose no time about it. With both Houses in full accord, and with a special session convened at once, the President was given emergency powers that had been denied to Mr. Hoover. He could use all the latent financial resources of the United States. With such authority at command, it was easy enough to open the banks; to assure depositors; to end the panic.

In the course of three or four months business conditions were moving rapidly toward recovery. Mr. Roosevelt had been elected upon a remarkably explicit Democratic platform. He had endorsed it with enthusiasm, and had expounded it throughout the campaign with repeated avowals of devotion to its principles. There was nothing in that platform to suggest any major part of what is now known as the New Deal. Neither is there any evidence that Mr. Roosevelt as an aspirant—in rivalry with candidates such as Governor Ritchie of Maryland, former Senator Reed of Missouri, or half a dozen others—had the faintest consciousness of a high and holy mission that made him a person different in aims and objects from other Democrats who endorsed the platform, such as Mr. Baker, Mr. Young, Mr. Cox, Mr. Davis, Mr. Smith, Mr. Reed, or Mr. Ritchie.

F D R Was Willing

This can be said of Mr. Roosevelt: He took the job and put on the robes of dictatorship with less personal misgiving than any other man who had ever taken high office in the United States. His abounding self-confidence seemed an asset to a country that recognized its need of leadership. Industry and agriculture were depressed, unemployment was extensive. What could be done for industry? What could be done for agriculture? What could be done for unemployment?

In the solution of such problems Mr. Roosevelt had not previously been known to the country as an au-

thority of unusual attainments. But the citizenry was willing to try anything that Mr. Roosevelt might like to include in his swiftly improvised program. Congress at his instance passed the NIRA bill. The AAA measure accompanied it. Relief for unemployment was taken up on a vast scale, as a direct function of the federal government. A dozen other measures of extraordinary importance followed at later intervals.

Bureaucracy

Each of these measures has had its separate background. They have had little relation to one another. They were alike, however, in conferring unprecedented powers upon the executive branch of the government. In all cases the administration of these measures assumed novel and unexpected aspects. Around each of them was built up a federal bureaucracy, composed of immense numbers of untrained political appointees. They went forward with expenditures of money on scales so grandiose and extravagant that no parallels can be found for them in the experience of the modern world.

Let us assume, with most thoughtful people, that this expansion of federal activities was not constitutional in theory, and has not been justified in practical results. What was to be the remedy for such excesses? How was the country to shake off what the Liberty League regarded as the nightmare of an alarming and devouring Frankenstein?

The best answer, perhaps, is that of the simple-minded man in the street. He sees how relief has been distributed to the unemployed. He knows how AAA methods had begun to affect the cost of living. He knew that the NRA in its efforts to regiment and manage all kinds of business had become at first oppressive, and then absurd.

The man in the street feels that the people of any great country will have the kind of government that they desire. The alternative in this country had become quite simple. We can get back to constitutional government, or we can have personal government under a dictator. The so-called "New Deal" is the aggregate set of strange measures for which Mr. Roosevelt accepts responsibility, although he was not the author of any of them. In his address to Congress in the evening of January 3, Mr. Roosevelt said that these powers which he exercises would be very dangerous in the hands of his opponents. Thus far we have had the New Deal merely because Congress has acquiesced in it at the behest of the country. The man in the street

probably sees this fact more clearly than do the judges and the lawyers.

The NRA had broken down of its own weight. The people of the United States would not be bullied, regimented, tormented and deprived of their liberties by grotesque attempts to carry NRA beyond anything that European dictatorships had dared to try. It was, of course, extra-constitutional, like the New Deal as a whole; and the Supreme Court in due time discarded it unanimously.

AAA versus NRA

In point of concrete fact, the AAA was a far more daring effort to use the federal government for objects beyond its normal scope than was the NRA. When the NRA without just cause menaced an industry of international magnitude and of outstanding merit like the Ford Motor Company, and instituted a governmental boycott of its products, all business men realized that arbitrary tyranny had usurped the place of government. With its invasion of the beauty parlors, and the nooks and corners of boot-blacks and pants-pressers, it could not survive the ridicule of the multitude. When such an agency as NRA falls into contempt, when people at large become ashamed to display its compulsory emblem, its authority vanishes in thin air.

If nobody had taken cases into court, NRA would have fallen of its own ineptitude. It was supposed to be still in existence, with a few thousand employees on its payroll; but the public knew nothing more of its activities, and remembered it again only when, on the turn of the year, the press reported it as officially extinct and sepulchered.

The AAA lasted much longer, because the public at large could not discover how it really worked. Mr. Wallace was now esoteric and then astronomical in his talks about it, but he never brought it down to mother earth. Mr. Chester Davis, as working head of AAA, knew all about it except the technical details, but he talked as little as possible. He was told to manage it, and he did his best to keep it going. He is to be complimented for his intelligence and his capacity as an administrator. He was assigned an impossible task, and at times he made it seem almost feasible.

Wallace had spent his life as editor of a farm paper at Des Moines, where the barometer of agricultural economics is the value of farm lands as related to the market price of hogs at Chicago. Davis had edited a farm paper in Montana, where prosperity turns first on wheat as a speculative commodity, and second on the less speculative mining industries.

The man in the street would perhaps tell you that the Potato Act found its way to the consumers' mentality, and broke the back of the AAA. This Act carried management and control to the back-yard gardens of very small producers, and subjected the unwitting purchaser of an unlicensed peck of spuds to fine and imprisonment. AAA was justly doomed, because the people had discovered its existence, and were hooting their repudiation.

The merest outline of the vast network that was comprised in the activities of AAA could not be stated in smaller space than a volume of a hundred thousand words. It was not, as commonly supposed, a measure for the direct assistance of farmers and their families. It was to subsidize land-owning producers of certain staple crops. The United States Government entered into direct beneficial contracts with these producers. Such benefits accrued almost entirely to localities that had been engaged in the speculative production of surplus quantities, to the great detriment of the genuine farm people.

Landed Aristocracy

The most rigidly conservative, Bourbon-like capitalists of the United States, taken as a class, are these western and southern land-owners. It should be said to the credit of President Roosevelt and his federal subordinates that they did not make the Cotton plan, or the Wheat plan, or the Corn-Hog plan, or the Sugar plan, any more than they made the Potato plan. These were all forced upon the Government by regional lobbies. No two of these plans were similar in detail. Each was understood by its chief beneficiaries, whom it enriched till their eyes glistened with happy surprise. Few could explain how more than one plan worked out in practice, except those remarkable public servants whom we call County Agents. If anything at all is to be said in support of these AAA control measures even as transient experiments, the credit must be given altogether to the local allotment committees, with the County Agent as the interpreter and arbiter.

That certain states, specializing in particular crops, have derived immense pecuniary benefit from the operations of AAA, is conspicuously true. But the money they have received has been mainly derived from manufacturers' sales taxes levied at exorbitant rates upon flour millers, pork packers, cotton spinners, tobacco factories, etc. To call them "processing taxes" did not affect their true character. Where such taxes could

be passed on to the consumer—as in the case of flour, pork and many food products—they were paid by the poorest classes of the population for the direct benefit of our most exclusively capitalist class. Through improved price levels, some of the small farmers of America might have derived indirect benefit. But AAA was not meant for the farm workers. It was to restore the prosperity of our landed aristocracy.

The AAA had to be suppressed, or else it had to be extended. Hide prices would have compelled strict regulation of the shoe business. Within a few weeks or months we should have had a rigid cabbage control. Fruit control would have been more difficult, because the apple supply for example is not subject (like field crops) to rapid acreage changes. Discriminating taxes could, of course, throw some orchards out of production. Moreover, orchards are quickly destroyed by pests if not cared for; and the government could have reduced surplus apples by the simple device of controlling, or penalizing, all pruning and spraying.

If this seems a frivolous comment, the reader will be excused as unaware of stipulations in force since AAA swung into action. He should be told that eastern farmers, all of whom have to use fertilizing materials, could not participate in wheat benefits or corn-hog benefits unless they agreed to refrain from the proper enriching of their land beyond the minimum of fertilizer they had used in recent years, when depression prices had compelled them to starve their fields. The one-crop western wheat speculators, in contrast, do not use fertilizers, but squander the chemical wealth of new soils.

A Divided Court

If all this were only a matter of argument in a vacuum, Justice Stone in his dissenting opinion on AAA might be regarded as having spoken the deeper wisdom. The AAA did not come before the Court on any of these points of outdoor application. The minority of three judges—brilliantly, but in somewhat casual and jaunty tone—thought the nation ought to have what it wanted when it wanted it, and that Congress ought not to be deprived of the liberty of discovering its own mistakes, if it had made any.

Naturally, the AAA must in time have been discarded, or else transformed. But its victims, like the New England cotton-spinners, did not want to be killed off while they waited for sound public policies. When it could not escape the constitutional issue, the Court had to

say that the AAA's game was not inside the federal enclosure. According to Justice Stone, the government can tax, and can also spend. Ergo, there are really no restraints or limits. Justice Roberts took the Constitution seriously. The dissenters amused themselves with a bit of metaphysical by-play.

Young as it is, the New Deal has already degenerated through a process known as in-breeding. Theodore Roosevelt sometimes entered upon daring projects; but when he wanted the acid test of their validity he did not consult his sympathetic friends of the so-called "lunatic fringe". He submitted the proposals to the cool and critical judgment of Elihu Root, to the broad comprehension of William H. Taft, or to the acute legal understanding of experts like Phil Knox and Frank B. Kellogg.

Unfortunately (some might think) for the best interests of Franklin Roosevelt, he does not take counsel with the great Democratic lawyers of the country, who would tell him the truth with no bias whatsoever, and with honest desire to help him find his way. Criticism makes the New Dealers angry; and in this mood they take counsel with one another. They rush into Court defenses, bring discredit upon the Department of Justice, and embarrass our impartial judges with messy house-cleaning jobs.

Congress Suppressed

It was a sad mistake on the part of the advisers of President Roosevelt to allow an emergency experiment like the processing taxes to reach the Supreme Court. These were not taxes levied primarily by Congress; and the President had the explicit authority to suspend or abolish them of his own accord. In the nature of things, as the insiders knew, these levies must have been tossed aside in the near future. It might seem that the New Deal was trying to make the Supreme Court unpopular in certain quarters, by throwing upon the judiciary the unpleasant duty of clearing away the reckless experimentalism that the White House should have terminated, without involving the third branch of the government.

Mr. Raymond Clapper, close to the scene at Washington, writes of the situation in Congress. Whatever may be said of the present body, the Seventy-fifth Congress, to be elected in November, will doubtless seek to regain legislative authority and pronounce the end of emergency dictatorship. Mr. Clapper, whose attitude toward the New Deal is not as critical as that of Mr. Sullivan or Mr. Lawrence, nevertheless finds the

MARCH OF EVENTS

New Rulers

December 18. Edouard Benes is elected second president of Czechoslovakia today. He succeeds the well loved Dr. Thomas G. Masaryk, resigned.

January 10. Mariano Gomez, candidate of the coalition of Nationalists, Liberals, and Republicans, is elected President of Cuba. It is the first presidential election since the overthrow of Machado in 1931, and the first in which women have voted.

Bonus

December 19. The three Veterans organizations—American Legion, Veterans of Foreign Wars, and Disabled Veterans—agreed on a united front for this season's bonus demand upon Congress.

January 10. The House of Representatives passes the Bonus bill, 365 to 59. A majority of both political parties back this "united veterans" measure, which carries no provision as to how the money is to be raised.

January 14. The Senate Finance Committee, 15 to 2, approves a "baby bond" method of paying the bonus; non-negotiable, but payable to veterans at post offices. Those who keep the bonds may cash them at maturity with 3 per cent interest added.

Government

December 27. The National Resources Committee—which includes five Cabinet members and Harry Hopkins, head of WPA—recommends that the President establish twelve "little Washingtons" or sub-capitals, to promote coöperation with the federal Government on regional problems. It is claimed that they would not interfere with state's rights. The Liberty League assails the program.

January 3. President Roosevelt delivers, in person at a night session, his annual address on the state of the nation, to the reassembled Seventy-fourth Congress, and by radio to the whole nation. Part of his talk is devoted to neutrality in Europe's threatened war, and the President condemns autocratic nations abroad that threaten the peace of the world. The remainder of his speech is political.

January 6. The Supreme Court declares the AAA unconstitutional, by vote of 6 to 3. By regulating agricultural production the federal Government is held to invade states' rights. It is the second overthrow of major New Deal laws.

January 7. Gradual collapse of United States financial neutrality in the World War is told at the Senate Munitions Committee hearing in

Washington. J. P. Morgan, Thomas W. Lamont, and Frank A. Vanderlip are on the witness stand. Questioning attempts to show that jeopardized American credits were responsible for our entering the war.

January 7. The President calls seventy farm leaders to Washington, to form a substitute for AAA.

January 8. The House Agricultural Committee, under Chairman Marvin Jones (Democrat, Texas), demands a share in the leadership of formulating a substitute program for AAA. It is indicated that the initiative no longer will be left to the Administration.

Politics

December 17. In a special Congressional election in Michigan, the Republican candidate wins. One of his main planks is his indorsement of the Townsend plan of a \$200 monthly pension for all over 65.

December 19. Senator Borah of Idaho gives permission to Young Republicans to enter his name in the Wisconsin primary on April 7. Hoover supporters announce that they will file the former President's name for the Maryland primary of May 4.

January 5. Ex-President Hoover, in an address at Ogden, Utah, says that powers have been voted to the Administration that never should be possessed by anyone in the United States. He hit sharply against the President's method of accusing anyone who opposes the New Deal of being wicked and corrupt.

Ethiopia

December 18. Sir Samuel Hoare today resigned as British Foreign Secretary, under pressure of public indignation over his peace proposals.

December 19. Stanley Baldwin, Britain's Premier, admits the error of the Laval-Hoare Peace Plan and is sustained in the Commons.

December 22. Anthony Eden, former Minister for League Affairs, becomes British Foreign Secretary. He is a firm advocate of League sanctions against Italy.

January 2. Italy expressed regret to Sweden over the bombing of a Swedish Red Cross Unit with the Ethiopian army.

January 8. Britain reveals that its fleet in the Mediterranean is to be reinforced by thirteen ships January 20, the day when the League of Nations is to consider an oil embargo against Italy. In Paris it is announced that seventy French warships will be concentrated in the same area at about the same time, in annual spring maneuvers.

reassembled Congress in the whole-some mood of self-appreciation.

This suppressed branch of the Government no longer likes to have the country believe that its functions have been transferred, on a long lease, to Professor Felix Frankfurter and his earnest young disciples whose minds envisage some kind of government that is not familiar to liberty-loving Americans. This is not to criticize Mr. Frankfurter, reputed to be the President's chief adviser. He has a right to be as influential in making our laws as Congress will permit.

Business Revival

But what of unemployment and relief? The Democratic platform in 1932 faced that problem soundly and correctly. States and localities, in so vast a country as ours, should manage the employment conditions of their own people. This does not mean that the country as a whole should ignore conditions exceptionally serious in some localities. But the proper part for Uncle Sam to play has to do with financial assistance. He could have loaned the states all the money they needed, at a nominal rate of interest.

Mr. Barrows writes for us an article on the cumbrous organization of WPA, and this article will be followed by others in succeeding numbers. That the federal government should in times of depression undertake useful and well-planned public works on an extensive scale is admitted without controversy. But the relief of individuals and families—by gifts to enrolled recipients, or by assignment of nominal jobs—is not now and never has been a proper function of officialdom at Washington.

What are the business prospects, as we advance a few weeks into this year of uncertain politics? We are ready to agree with experts, both governmental and private, that the prospects are fairly good.

Will the government retard business progress by dangerous experiments? It has not yet been sufficiently proved that anything irrevocably dangerous has happened. Our gold, silver, banking and currency policies should no longer be left at loose ends, in the mists of uncertainty. They should be unified constructively, without further experiments on the sloping and slippery play-grounds of inflation.

We were bound to increase the public debt, but have done it by far too rapidly. The Administration already seeks to work its way back toward a balanced budget. Mr. Delano in a brief but notable message to our readers, advises the country to prepare an exhaustive balance sheet, showing its national and local

situation. No man is better qualified than Frederic A. Delano to lay out the details of this desirable project.

The voters will decide next November what they would upon the whole prefer, as regards thrift and private effort *versus* Government spending of borrowed money. The country has now almost everything to be thankful for, when comparison is made with the conditions that prevail in the large countries of Europe and Asia.

It is fairly clear that the country intends to govern itself on democratic lines, to preserve personal liberty, and to hold fast to the Constitution. Congress can find a constitutional way to protect the true welfare of people who live and work on the soil. This is just as essential to the nation's permanent life as the education of children, the safeguarding of public health, and the maintenance of popular self-government. For such benefits as have come directly or indirectly from AAA it is permissible to be thankful, although an approval of the regional favoritism upon which the intricate system was based ought not to be expected in any sincere and disinterested quarter.

Townsendism

Within recent weeks the Republican and Democratic cohorts have been disturbed by the surprising spread of Dr. Townsend's old-age pension clubs. With Huey Long in his grave and Father Coughlin under restraint, it was commonly thought that we should have a square two-party contest. Our instructive editorial symposium, covering states of the Middle West, indicates that even the LaFollette movement will coalesce with the Roosevelt Democracy; and this is likely to be true of the Minnesota and Dakota radicals.

But the followers of Townsend are not a political party, any more than Anti-Saloon prohibitionism, or the W. C. T. U. was a political party. They are a cult; and they ask all parties to believe in their plan of salvation. They will not make a dent in the Republican platform when the Convention meets at Cleveland on June 9. Nor will Roosevelt and Farley be likely to give them parlor chairs when the New Deal offers its revised theme-song at the Convention of Democrats to be held at Philadelphia on June 23. But many candidates for Congress, looking forward to their summer and fall campaigns, are already worried because the Townsendites are so numerous and so mentally inaccessible. Mr. Donald Richberg, sound lawyer and recent mainstay of the more careful New-Deal efforts to restore business, exposes for our readers the fallacies

upon which Townsendites rest their expectations of Utopia.

Congress is determined to keep us out of future European wars. It is impelled by strong instincts of isolation. There are highly technical questions involved, and the last word on neutrality is not to be spoken either by Congress or by the President within the next few weeks. The safest way to keep out of war is to do what we can to prevent the wars with which we might later on become mixed up. We can afford to go far in cultivating world relationships. We should open foreign trade in every honorable manner. Secretary Hull is trying bi-lateral treaties.

For our part we should like to see complete freedom of trade between the United States and Canada. It might be reached on a plan of graduated reductions over a period of years. An eminent leader of business and public affairs, Mr. Thomas J. Watson, is able to do business in many countries even in hard times, because his enterprising company produces articles of American invention that are so desirable as to be welcomed by modern business offices regardless of national boundary lines. Our readers will welcome his views of trade conditions abroad, as he returns from recent conferences in Europe. We concur fully in Mr. Watson's program for business improvement and peace.

The country will watch with some apprehension for further Supreme Court decisions on policies that President Roosevelt had made peculiarly his own. Congress was reluctant to enact the utilities holding bill in its drastic form; but the President insisted and Congress yielded with doubts and misgivings. Our contributor, Mr. Charles H. Frazier, Jr., discusses this question of electric power and its control with thoroughness and lucidity. His views are in accord with those that have been expressed from time to time in these pages for several years past.

Besides the holding company law, the far-flung activities of the TVA (Tennessee Valley Authority) must come under final court review. If it is permissible for the federal government to carry on these ever-extending industrial and commercial undertakings in a group of Southern States, it could enter any field of competitive business, on its own belief in its ability to under-sell private industry. To pretend that TVA's vast range of activities in a number of states is incidental to control of navigation in the Tennessee River, is to make a laughing stock of the Constitution. At least, so it must seem to clear-headed people who do not wish to hang momentous undertakings upon so transparent a legal fiction.

OPPORTUNITIES IN EUROPE

BY THOMAS J. WATSON

Removal of trade barriers and stabilized currencies are a way out of economic depression. They also are factors in promoting world peace through more equitable distribution of basic raw materials.

MEMBERS of the joint committee of the International Chamber of Commerce and the Carnegie Endowment for International Peace, representing thirty-seven countries, in Paris last November unanimously adopted a program to promote world peace and prosperity.

Stabilization of currencies, adjustment of trade barriers, and a study of raw materials were among the important subjects which the joint committee planned to cover in a world economic survey.

These fundamentals point directly to the expansion of world trade. The objectives sought are the attainment of greater social security and higher living standards for all nations of the world. The establishment of normal economic conditions and the maintenance of peace throughout the world today are as important to our future civilization and progress as any issues recorded in history. They depend primarily upon a more equitable distribution of basic raw materials to all peoples.

These propositions by the Joint Committee are simple if we do not surround them with mystery. We need only simple honesty and greater interest to solve the problems which confront all nations today. These fundamentals are also based upon a recognition of the interdependence of nations, instead of upon a policy of isolation or selfish nationalism.

The effects of fluctuating currencies, high trade barriers, unsettled debt problems, and burdensome armament programs are greatly intensified on the continent of Europe. These world problems in general, and their application to Europe in particular, can better be understood after a brief review of some of the basic economic and social facts of Europe.

Leaving out Soviet Russia, Europe has an area about two-thirds of that

of continental United States, with a population about three times as great as ours, or 387 million people.

This population is divided among 34 nations, with as many systems of law and government. There are twenty-seven monetary units in use by these nations, and these vary in value approximately from two cents to five dollars. The value of each monetary unit changes from day to day in terms of the others.

Europe's production of food and of many basic raw materials is inadequate. In proportion to the population, Europe produces about 39 per cent as much beef as the United States, 25 per cent as much pork, 56 per cent as much wheat, and 8 per cent as much corn. Comparing materials for clothing on the same per capita basis, they produce about 39 per cent as much wool as we produce in the United States and practically

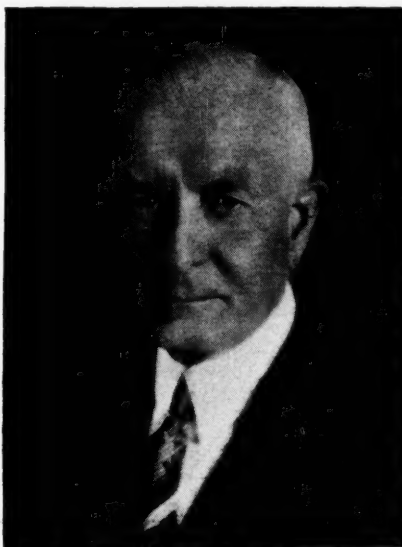
no cotton, while our cotton crop is more than half of the world's production. Of petroleum, an important factor in the American scheme of living, Europe's output relative to population is less than 3 per cent of ours.

Europe's Needs

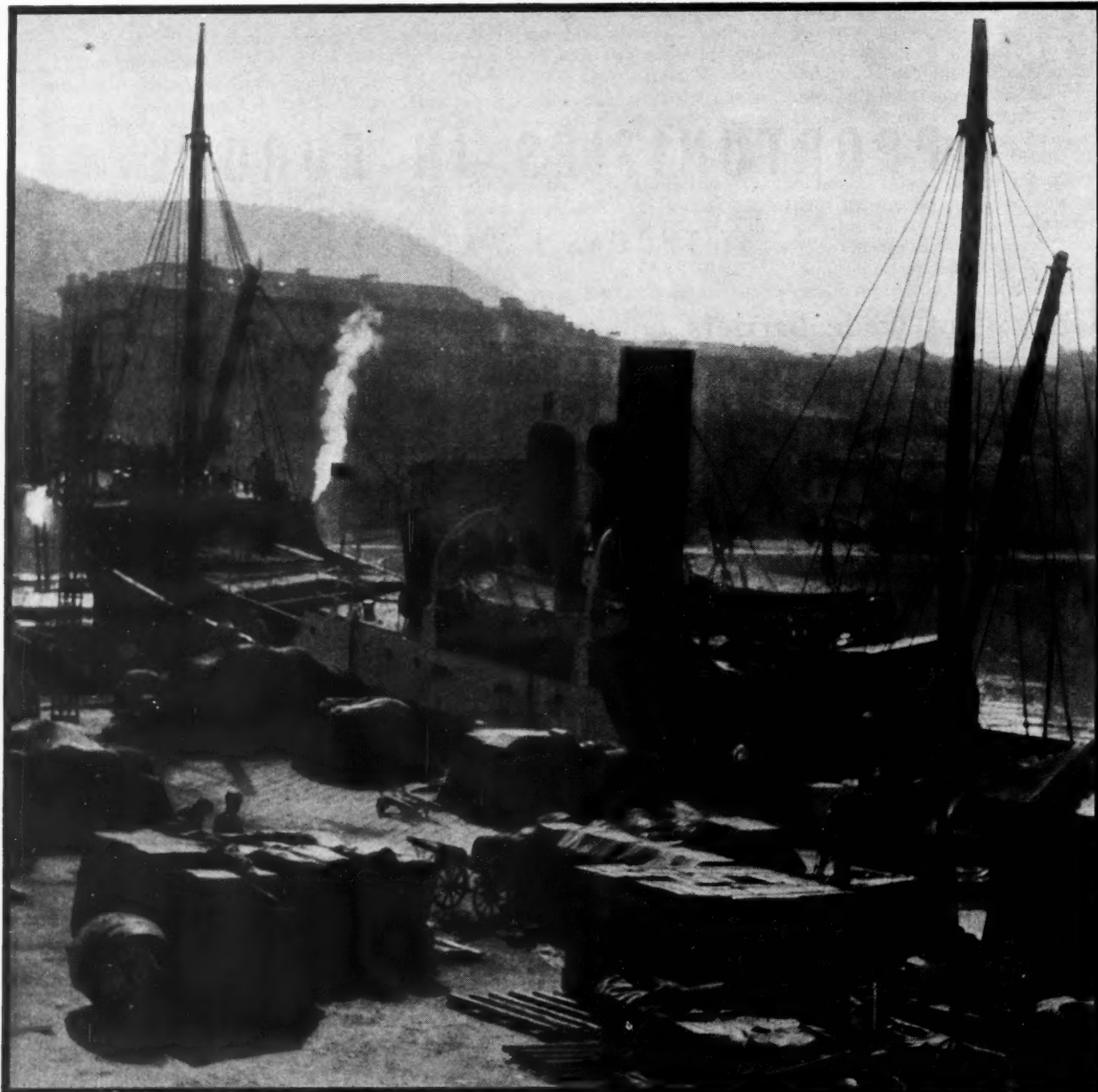
In order to maintain an existence—to say nothing about higher living standards—Europe must buy large quantities of food and raw materials from other regions which have surpluses. It is not surprising to find, therefore, that on the average each person in Europe consumes two and one-third times as much imports as do the people in our own country.

These necessary imports must be paid for either by exporting gold or by furnishing other goods or services in exchange. In 1934, European imports were more than a half a billion dollars greater than the combined monetary gold stocks of all European nations (Russia being omitted here as in other comparisons). Our own imports in the same year were about one-fifth of our gold supply. Some European nations do not have enough gold to pay for one year's supply of cotton which they buy from America.

The people of Europe have to depend upon making a living by selling the finished goods of their shops and factories, and offering their services to pay for the necessities of life which they can not adequately produce at home. Trade to them is vital to a degree which is difficult for citizens of the United States to understand. Tariff barriers, therefore, which limit European sales of goods and services, result in a proportional limitation of European purchases of food, essential raw materials, and other commodities. No doubt one of the impelling reasons for the establishment of colonies by the nations of Europe is the desire to



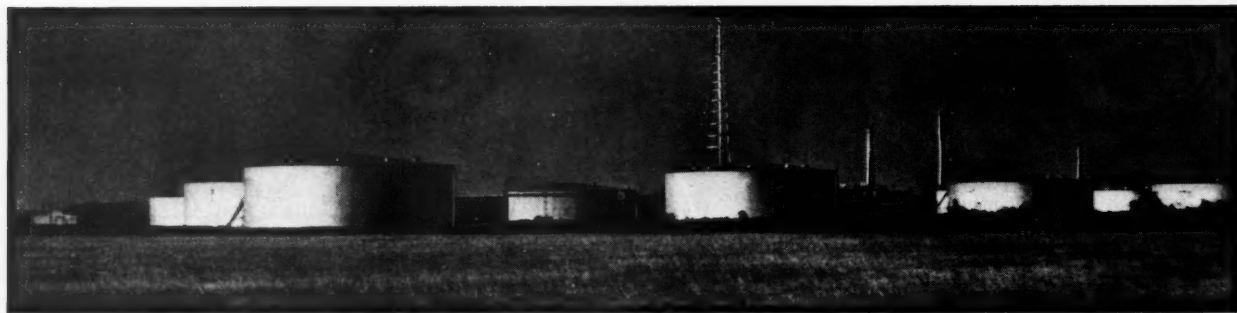
Thomas J. Watson, President, International Business Machines Corp.



FOREIGN TRADE

The present trend of world thought and action augurs well for further improvement of trade and industry in Europe, and America's program of reciprocal trade agreements should reflect a substantial increase of commercial transactions in 1936.

Margaret Bourke-White



PETROLEUM

In 1935, crude petroleum held third place on the list of raw materials exported, with unmanufactured cotton and leaf tobacco in the lead. Among manufactured exports, lubricating oil and gasoline ranked fourth and fifth, following autos and electrical machinery.

avoid tariff barriers and obtain their own necessary basic raw materials.

It is generally understood now that the World War was brought about by economic causes. Its result was to multiply those same causes many times. Following that war we witnessed the erection of trade barriers, the placing of embargoes, and the imposition of quotas and other trade restrictions by which each nation sought to attain the impossible end of self-sufficiency.

World Trade Slumps

To all these trade barriers there has been added, during the last few years, another very effective economic weapon in the form of currency manipulation. As a result of all these restrictions, we have seen world trade—imports and exports combined—decline from about 69 billion dollars in 1929 to 23 billions in 1934. The trade of Europe dropped from nearly 35 billions in 1929 to less than 12½ billions in 1934.

Europe needs many of the products which the United States can supply. In the first 9 months of 1935, 42 per cent of our total exports went to Europe, yet many peoples on that continent suffered from an acute shortage of numerous products. The five leading raw material exports of the United States in 1935 were unmanufactured cotton, leaf tobacco, crude petroleum, copper ingots and bars, and coal and coke. There is a European shortage of all these commodities excepting coal and coke. And while Europe had a vital need of these commodities we curtailed our production of them.

Our five leading manufactured exports in the same period were automobiles, electrical machinery, lubricating oil, gasoline, and agricultural machinery. Our own market for these commodities has given us a volume of production which enables our manufacturers to make cheaper and better goods than would otherwise be possible. And in these industries, during 1935, many workmen remained idle while our European neighbors were sadly in need of the same goods.

The cases cited are only our ten leading exports, but one may go down the list and the same situation will be found as to many other raw materials and manufactured commodities. The whole problem goes back to the fact that Europe does not have the gold to buy our products, and excessive trade barriers have prevented payment for commodities and services which we might have supplied.

The most hopeful symptom in world affairs today is the growing recognition by business and political leaders

of the interdependence of nations. The very fact that representatives from the world's leading nations have unanimously agreed upon a progressive program for world betterment is most encouraging. I have cited some of these fundamental conditions in Europe in order to bring home to the business people of the United States that we are working against our own interests in erecting unreasonable trade barriers. Europe will buy vast quantities of imports and her purchases are limited only by trade restrictions upon her payment by the only means possible; that is, by the sale of her export commodities and the things she is actually best able to produce.

The degree of frank recognition of the fundamental facts today, in contrast to views of the past, is encouraging. In September, 1935, speaking for Great Britain before the League of Nations, Sir Samuel Hoare said: "It is fear of monopoly—of the withholding of essential colonial raw materials—that is causing alarm. I suggest that emphasis should fall on the free distribution of raw materials among industrial countries which require them, so that all fear of exclusion and monopoly may be removed once for all."

Mr. Georges Bonnet of France, in a frank and excellent discussion of world difficulties, has recently stated that France stands ready to return to a more liberal economic policy in matters of trade as soon as currency stability can be established, without which there can be no permanent security for trade.

Our government, under the able leadership of Secretary of State Cordell Hull, fully recognizes the inherent dangers and difficulties of the world's economic maladjustments. We are making a determined effort to take a position of leadership in attaining remedies. Reciprocal trade treaties have been enacted with nine countries, including Belgium and Holland. And such treaties are being negotiated with nine others, including five in Europe: France, Italy, Finland, Spain, and Switzerland.

General Adjustment

This foreign trade policy of the United States should bring new hope to business leaders and all other citizens who have the vision to realize its true objective. It is far more than a matter of swapping concessions with one nation after another. It is designed to bring about a general adjustment of trade barriers throughout the world. Each treaty negotiated contains the most-favored-nation clause, so that all concessions made must mutually extend to all nations.

The Administration has announced its intention of bringing about an approximate balance of imports and exports so that other nations may pay for their purchases by exchange of their own goods or services. This reciprocal trade program has already begun to break down trade barriers in many countries.

Debtor nations do not have enough gold to meet their obligations. Payment must be made largely through goods and services. Trade barriers and currency manipulation restrict international commerce. And because that trade is so essential to maintain the necessities of life in Europe, fear brings excessive armaments. Europe's normal peace-time military force is about fifteen times as great as that of the United States. These armaments in turn create a desire on the part of each nation to be as nearly self-sufficient as possible, hence to retain its own tariff walls.

Coöperation Needed

This vicious circle can be broken. What the world needs is more honest individual thinking and less national selfishness. And the attitude of co-operation among nations is developing rapidly. The International Chamber of Commerce, and the Carnegie Endowment for International Peace, provide an opportunity for business leaders of all nations to confer and gain an understanding of the problems of each. As they know each other better they find that many of their problems are common to other countries and can be solved by joint effort. The League of Nations in like manner constitutes a forum for open discussion by political leaders. The League has done vastly more good than most people realize.

The present trend of world thought and action augurs well for further improvement of trade and industry in Europe. America's program of reciprocal trade agreements should be reflected in a substantial increase of commercial transactions between the United States and Europe in 1936. Along with these trade agreements, we must consider currency stabilization, debt settlement, and distribution of raw materials and finished goods.

These are important factors in favor of world peace. If we can maintain peace until the effect of these measures of relief can broaden and be understood, we may look forward not only to steady improvement of business conditions in Europe, and of our trade with European nations, but we may also hope to see a spread of normal economic conditions which will bring security and peace throughout the world.

THE TOWNSEND DELUSION

BY DONALD R. RICHBERG

Take a third of the income of every worker, and give it to one-twelfth of the people. The Townsend plan is unjust, impractical, and dangerous—deluding millions of people with false hopes.

© Harris & Ewing



Dr. Townsend is riding the crest of a wave of fickle public fancy.

IF ANYONE proposed to take away from every American who is earning a living, one-third of his entire income, in order to support eight to ten million unemployed persons in comparative luxury, he would be hooted off every platform from which he spoke.

That is precisely what is proposed in the Townsend Plan, which is being advocated with such deceptive, confusing explanations that the vast majority of those supporting it evidently do not know either what it is or how it would operate. As soon as it is described in plain language it appears so unjust, so unworkable—so completely nonsensical—that it can no longer be seriously discussed.

Let us look at the bare facts, stripped of all mystical prophecies and flowery appeals to brainless emotion.

The Townsend Plan proposes to pay a pension of \$200 a month to all citizens over 60 years old who agree to earn no money and to spend all their pension every month. Dr. Townsend says: "Pensions for the aged will remove eight to ten millions of pensioners from the fields of productive effort."

To pay ten million pensioners \$200 a month will cost 24 billion dollars a year.

The Townsend Plan proposes to collect this 24 billion dollars a year by a "2 per cent transactions tax"—imposed by the federal government on all business transactions. This will be paid over and over again every day by every man or woman who works for a living or has any money to spend. An official Townsend publication tells us: "Leading economists and statisticians state that the annual transactions in this country will sweep up to the 1929 figure of 1200 billion dollars a year. Two per cent of that amount will give us

the needed income to pay for the pensions". Two per cent of 1200 billion dollars is 24 billion dollars.

The total national income, from which this 24 billion dollars of taxes must be taken, was less than 50 billion dollars in 1933 and 1934. If we hopefully estimate that it may rise to 72 billion dollars in 1936, then it would take an average tax of 33 per cent—that is, one-third of the average man's income—to produce the "needed income" for pensions: 24 billion dollars.

The deceptive "two per cent" tax which is to be levied on every "transaction" will be repeated and multiplied in a host of business transactions occurring between production of raw material and sale of finished product. Thus when the consumer buys a sack of flour, a pair of shoes, or a suit of clothes he will find it loaded down with these duplicated, pyramided taxes. The total of all these taxes *must* amount to 33 per cent of the average individual income in order to produce 24 billion dollars, which is 33 per cent of the total national income that can be hopefully estimated.

The Power to Destroy

The sly little sneak thief, called a "two per cent transactions tax," will rob the farmer, the wage earner, and the business man of one-third of his entire income.

According to the official Townsend Plan "every citizen, male or female" over 60 is eligible for a pension, "who is not an habitual criminal", who agrees to spend the monthly pension every month, and to "refrain from all remunerative or productive labor or occupation". Thus a pensioned man and his wife would have \$400 a month to spend. This man and wife and two elderly friends or relatives



DISCIPLES

Delegates to the first annual Townsend Convention, held in Chicago last October, clamoring to register at \$2 per registration. Yes, it would be very nice to live in affluence.

could live in one home and have a total "family income" of \$800 a month, or \$9600 a year. Dr. Townsend argues that "pensions should not be paltry", and says that his plan will keep pensioners "in affluence the rest of their days". Affluence for pensioners by impoverishing millions of hard-working taxpayers is exactly what the Townsend Plan provides.

Compare the income of a Townsend family of four with the income of the average American family of four in the boom year of 1929. According to Brookings Institution, the 1929 incomes of

6 million families were under \$1000
12 million families were under \$1500
16 million families were under \$2000
19 million families were under \$2500

The entire national income from productive operations, if divided equally, would have produced an income of about \$2500 per family in 1929.

Therefore a Townsend family of four would be given an income nearly four times as large as the average income of all American families in 1929 and more than four times as large as the actual income of 16 million families. Each Townsend pensioner would receive nearly four times the amount which could have been paid to each person if the entire national income had been equally divided in 1929.

Now that we have the simple facts of the Townsend Plan in front of us we should be able to see clearly that—

1. It is cruelly unjust.
2. It is utterly impractical and unworkable.

3. It is a dangerous delusion, promising impossible relief to millions of deserving people who are in sore distress.

It is cruelly unjust. The heaviest burden of the taxes to be levied on production and consumption will fall upon the masses of hard-working people who produce and consume the great bulk of goods and services; and of whom more than 70 per cent have not obtained a "reasonable standard of living" even in our most prosperous years.

Perpetual Motion

No just program to pay old age pensions would provide a larger income for pensioners than could be enjoyed by the average taxpayer and his dependents, from whose income the pension income must be taken.

No just program would take the same percentage of income from the poor as from the rich, depriving one taxpayer of necessary food and clothing and another of only luxuries and the added security of further investments. If we are to redistribute income to meet social obligations, and to provide a better balance between producing and consuming power, then certainly surplus income should be taxed more heavily than necessary income.

It is utterly impractical and unworkable. The pretense that this "transactions tax" will be substituted for a multitude of existing federal and state taxes is transparently thin. It is reasonable to assume that, by pensioning perhaps four million older persons who are now employed and a few more millions who may now be

dependent in part on public relief, there would be some reduction in those government expenditures now being made to take care of unemployed and aged people. But the large mass of other federal and state expenditures, totaling about twelve billion dollars, would remain; and most of present taxation would necessarily continue. In addition, the biggest tax of all history—twenty-four billion dollars—would be piled on top; and this transactions tax would be collected in millions of small items.

Any system to insure adequate and accurate payments would require an army of collectors, lawyers, accountants, investigators, supervisors, etc., costing an incalculable amount of money and resulting in myriad schemes of tax evasion. The addition of these taxes to present sales taxes, tariffs, income taxes, etc., and the effect of pyramiding these taxes, would increase the cost of many things so much as to reduce the present total volume of sales, to shift a large amount of buying into different lines of goods, and to alter existing methods and channels of trade.

One inevitable result would be a great decrease in present transactions, with the consequent necessity of increasing the amount of the "transactions tax". Another result would be a huge rise in cost of living, amounting to at least 33 per cent but, according to many sound estimates, probably reaching the figure of 50 per cent on the majority of purchases of food, clothing, and household necessities. This would heavily reduce the buying power of almost everybody and bring a rapid decline

in the total volume of production and employment.

It is a dangerous delusion, promising impossible relief to millions of deserving people who are in sore distress. No such enormous increase in taxation has even been attempted by any government. But the history of many drastic tax levies has given fair warning that any such oppressive burden would be resisted and evaded with increasing resentment and violence, until the government which persisted in such a folly would be overthrown.

Any competent lawyer can demonstrate that the Townsend Plan could not even be written into law by the federal government until after an amendment to the federal Constitution. But the purpose of this article is not to raise legal objections to the plan; it is to show that no sensible person would wish to make it legal, if he understood what it was.

It is necessary to find very soon the means to employ millions of idle, willing workers, and in the meantime to relieve unemployment distress. There should also be a reasonable support provided for incapacitated, elderly people; but the amount of security and comfort which is socially provided for old age should be related in some degree to the social contribution made by the pensioner, or related reasonably to the average standard of living.

These vital problems can only be solved by a careful use of our national resources in materials and man power. Taxation is the diversion of individual gains to social uses, and the redistribution of individual incomes for social purposes. It is the use of a governmental power which may have either highly beneficial or most injurious effects upon individual lives and the general welfare.

Neglected Economics

One fundamental fallacy of the Townsend Plan is its assumption that the national income and purchasing power can be increased by dividing it up. This assumption is based on a failure to understand that money is simply a token used to make it easy to exchange goods. When you tax a farmer you take from him some of the wheat or corn he has produced. When you tax a shoemaker you take some of the shoes he has made.

It seems necessary to explain with childlike simplicity the processes of production, distribution, and taxation to demonstrate the childlike folly of the Townsend Plan.

There are, let us say, 45 million persons who are working about 2400 hours a year, each, in order to produce and distribute millions of sacks

of flour, pairs of shoes, tons of coal, etc., etc. The producers exchange their products with each other, using some bread, some shoes, and some coal to pay those who transport and distribute these things and who organize and carry on a complicated machinery of factory and farm production, railroad and motor transportation, wholesale and retail selling, and the related business or social services of a financial, political, or personal character.

What Is a Tax?

An ordinary tax is simply a method of taking some of the bread, shoes, or coal and transferring it to persons like firemen, policemen, school teachers and other public servants who furnish protection, aid, and various public services to producers and distributors and to their families. Such taxes pay for making safe or comfortable or enjoyable the lives of the workers, who transfer a part of their work product in order to obtain these benefits.

When, however, a tax is imposed on all workers to provide bread, shoes, and coal for idle people who furnish no goods or services in exchange for what they receive—then the result is simply that there is less bread, shoes, and coal left to be exchanged among the workers who produce and distribute these things. Such a tax gives the taxpayers nothing in exchange for their payments except the satisfaction of having done a good deed—and perhaps an added sense of security as to their present and future lives.

The clear question of public policy presented is: How large a share of the products of work should be, and can be, wisely and safely taken to provide support for elderly people who are unable to support themselves, or who, humanely, should be relieved of working any longer for a living?

If one-third of the national income is taken for old age pensions, then one-third of all the products of labor is taken, and one-third of the labor of every worker is used, for this one purpose. This means that our 45 million workers will be required to work 800 hours a year to support 10 million pensioners, which will leave them 1600 hours work a year in which to support themselves and their 65 millions of family dependents.

A communist might argue that one-twelfth of the nation's production should go to one-twelfth of the people—even including an elderly non-producing one-twelfth. But the radical program of communism has never included a proposal to donate one-third of the nation's production to the eld-

est one-twelfth of our citizens upon their express agreement to stop producing any of the things they use, and to consume more than they ever have consumed before and four times as much as will be available for their fellow citizens.

In the emotional demand of the Townsend Planners that the work of youth should provide comfort and security for old age, there may seem to be a greater appeal to idealism than in the communistic demand for equality in division of the rewards of labor. But the idealism of self-sacrifice and the voluntary acceptance of poverty, so that others may enjoy riches, has never dominated any large number of self-serving humanity. And it may be questioned whether there is a sound ideal in urging that men and women should starve their lives and those of their children in order to maintain elderly strangers "in affluence".

It may be suggested that the older people who would selfishly demand and accept such a sacrifice would hardly be worthy of it. There is much more commonly exhibited the too generous nobility of older people who deny themselves comfort and security in order that the lives of their children and grandchildren may be happier.

The advocates of the Townsend Plan have one mystic argument with which to explain how our national income will be increased by reducing the number of workers and creating a spending class of elderly non-workers. They say that the "velocity of circulation" will be increased; that is, the pensioners, each being required to spend \$200 every month, will spend money faster than it is being spent at present. There are no facts behind this argument. It is a pure theory, and all the facts are against it.

Less Buying Power

In 1929, out of 83 billion dollars of income produced, all but less than two billion was spent. In the following years more income was spent than was produced: in 1930, five billions more; in 1931 over eight billions more; in 1932 over nine billions more (Statistical Abstract of U. S., 1934).

But if the argument is that consumption expenditures were not made rapidly enough, or that too much income was spent for capital goods or durable goods, the facts still refute the Townsend theory. In 1929 there were 19 million families with incomes of less than \$2500. These families saved practically nothing. They had no surpluses for investment. They spent not only as fast as they received, but they bought many things

on the instalment plan—thus buying more things than could be paid for out of current income. The prospective Townsend pensioners can hardly be expected to spend much faster than those who now do most spending.

On the other hand, the extortionate "transactions tax" will greatly reduce the buying power of the average American family. Prices must rise to cover the heavy burden of pyramiding taxes; and, with one-third of the average family income being used to pay taxes, simple arithmetic proves that the buying power of 24 billion dollars when transferred to the pensioners will be lost to the workers from whom it is taken. There will be a few billion dollars more spent on luxuries and practically the same amount less spent on necessities and ordinary comforts. There is no "increased velocity of circulation" in this prospect.

Cure or Kill?

As a matter of much sounder theory, it is probable that the concentration of such a disproportionately large expenditure in one-twelfth of the population will slow up the previous rate of expenditure, because more money will be spent for more durable goods and there will be a reduction in the velocity of circulation of billions of dollars which are now being spent for goods rapidly consumed.

It is unnecessary, however, to combat Townsend theories with even well established economic theories. The issue is not between conflicting theories. The simple, admitted facts about the Townsend Plan are sufficient to end any sober discussion of

it, when once they are clearly understood. The arguments offered in support of the plan are the old, old appeals to self-interest and generous emotion, wrapped up in the tinted tissue promises of getting something for nothing by the ancient process of robbing Peter to pay Paul.

According to this dreamland program, the Government will tax you five dollars and give me the money so that I can buy a clock from Brown. Then Brown will buy a roast of beef from Green. Then Green will buy a box of cigars from you. And, lo and behold! You have your five dollars back!

But when you wake up the next day you will find that you have lost one box of cigars and I have a clock which cost me nothing because you paid for it with a box of cigars.

Money is not "made" by taking it away from people. Money is "made" when something valuable is produced by human labor. The economic cure-all, by which a sugar-coated pill of taxation or an alcoholic rejuvenator is offered to end economic ill health, is as wicked and dangerous as the patent medicine which is guaranteed to cure organic diseases that have baffled the skill of trained physicians for centuries, and which yield only to slow medicines, patient care, and strict dietary control.

It is not without significance that the advertising revenue of the *National Townsend Weekly* appears to be largely derived from patent medicine advertisements which appeal to the same credulous, hopeful, suffering people who swallow the doctor's economic panacea. "Don't be discouraged or downhearted if you suffer

from rheumatism, neuritis, sciatica or lumbago" . . . "this world famous remedy" (an Indian Herb Tea) will bring "astonishing results"!

Do you yearn to eliminate "food decay within your body"? No reputable physician can tell you just how to do this, but there is a company out in Los Angeles which advertises that it has "an entirely different discovery" to eliminate "digestive disorders" and "many other distressing conditions".

Gullible's Troubles

You will learn from the *Townsend Weekly* that the "liquor habit" and "tobacco habit" can be stopped by a "new home treatment". If you suffer from catarrh, hay-fever, asthma, or kidney trouble you will find promises of relief printed right alongside of promises of pensions of \$200 a month. And here is also the advertisement of a "new discovery" that "makes your old car run like new".

Perhaps the most hopeful of all prospects is presented in the advertisement of a corn-remover—which will "keep your feet off your mind". What better advice could be given to advocates of the Townsend Plan? "Keep your feet off your mind"!

Stop trampling down your own brains in haste to follow a man who promises to make billions of dollars out of nothing, and to give them to you to spend!

Stop!—long enough to see what a cruel hoax you are helping to perpetrate against millions of kindly, suffering old people.

Stop!—while you can still be forgiven by your friends and neighbors whom you are trying to lead to ruin.

Wide World



PANACEA

Townsendism numbers its following in millions, organized into 25,000 clubs throughout the nation, contributing \$2,500,000 annually to realize their dream of affluence after sixty.

OUR NATION'S BALANCE SHEET

BY FREDERIC A. DELANO

Let's take a real inventory, and make a balance sheet of the assets and liabilities of this nation, including its states, its cities, and its citizens, in terms that we can understand.

IN THE BOOM years preceding 1930, our gross national income rose to something like 90 billions of dollars. Of this sum we spent on public works of various kinds up to 15 billions annually. These expenditures, which for the sake of simplicity I have called public works, I group as follows:

Group A: Federal buildings (post-offices, etc.), federal roads, bridges, permanent improvements by the army, navy, interior, and other departments of the Government.

Group B: Similar expenditures by 48 state governments.

Group C: Similar expenditures by city and town governments.

Group D: Expenditures by corporations, banks, railroads, public utilities, etc., whether quasi-public or entirely private. This would include private expenditures for college buildings, libraries, schools, museums, and the like; also hotels, apartment houses, office buildings, houses for rent, and private houses.

With the crash of October, 1929, many of the projects were stopped, but those already financed or actually begun went forward to completion. The complete stagnation of expenditures in Groups B, C, and D did not come until 1933. It is not strange, therefore, that with this stagnation came the most severe deflation of expenditures and of credits that this country has ever experienced.

By 1933 the accumulated liquid savings of many whose incomes had diminished or who had been thrown out of work were pretty well exhausted. The crisis looked at one time as if it would sweep away our banks, insurance companies, and our reserves, and many were rescued only by timely federal aid. Can our memories be so short that we have forgotten all that? Surely not!

Now we come to the methods of recovery and we hear much of the terrors and dangers of inflation. Let

us explore that subject. Certainly, if we had a great airship balloon, fully charged to its capacity, and by reason of a great rent in its side the gas had all run out, we would not be afraid of inflation. We would repair the breach and then begin to refill it. Is not that what happened to our national airship after 1929 to 1933?

Our first job, obviously, was to find out what had happened, and if possible to repair the damage in such a way that it could not happen again. Then we had to begin refilling the great ship. As we could get no financial help from Groups B, C, and D, we had to rely on the federal government; and at last, as a result of that federal aid, we have brought the aggregate of all public expenditures not back to the maximum of 15 billions, but up to perhaps one-half that figure. At the same time, by reason of this aid, our national income has gradually risen from the low-water mark of, say, 35 billions to, say, 55 billions, or not very far below a normal figure of, say, 60 to 70 billions.

Who can call that "inflation"? If we regard our nation as represented by several groups, as I have suggested—all associated in a partnership in a common interest—federal, state, municipal, and private forces—it is natural that we should have looked to the federal government for help when Groups B, C, and D were unequal to the task. And rest assured that the federal government group will be only too glad to stop spending beyond its own immediate needs as soon as Groups B, C, and D are able and willing to do their full share.

Returning to the subject of inflation. A business man managing a great industry knows that his business is over-inflated if his quick assets and earning capacity are unable to meet his obligations and his other liabilities, actual or contingent. He is constantly watching his balance

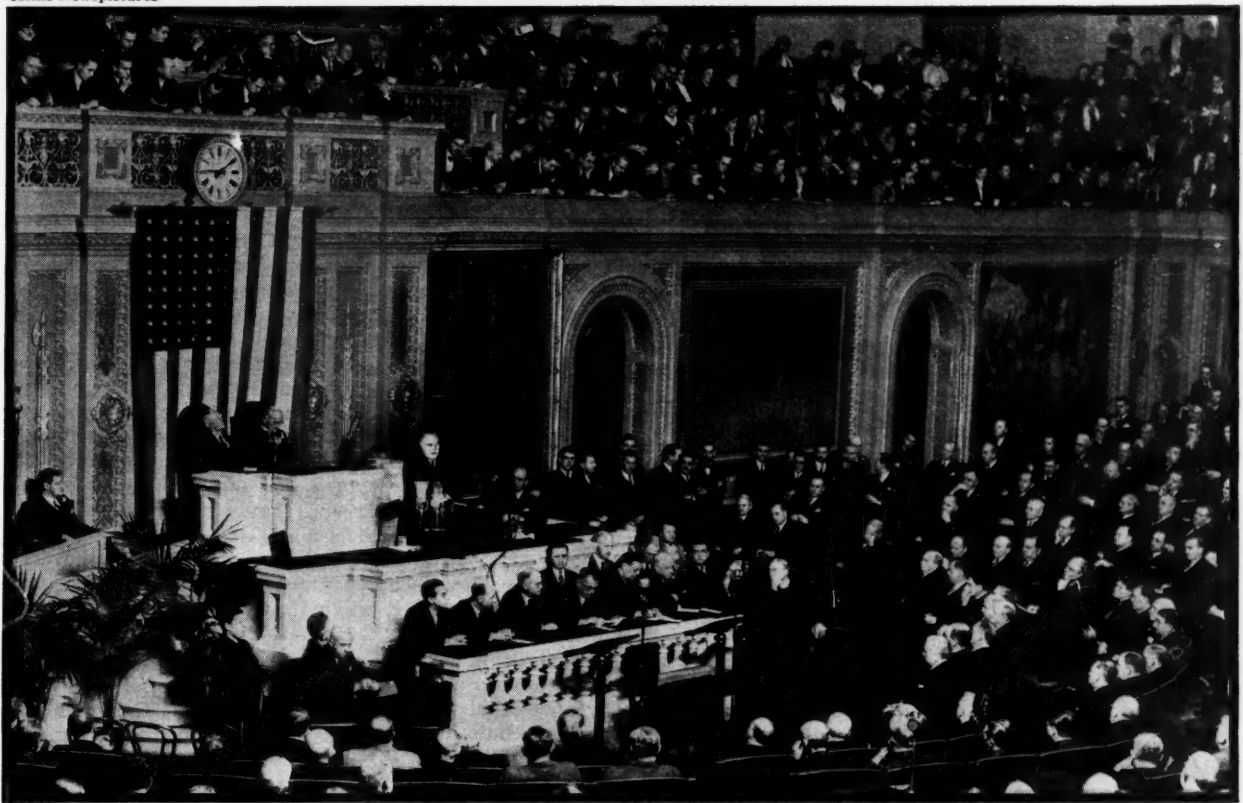
sheet. Now that is what every good citizen should demand of the Government. We should ask our federal, our state, and our municipal governments to give us a balance sheet in terms we can understand.

We know, if we know anything, that many of our expenditures are for permanent benefits—expenditures which will, to use the common phrase, "pay out in the long run". Some expenditures are, on the other hand, simply for immediate relief, to repair damage, feed the hungry and nurse the sick, but none the less absolutely necessary. We also know that we borrow against the future in times like this, and the Government borrows from its own citizens huge sums upon which it pays interest. This is all true and inevitable, but we are a big country, and we have big responsibilities.

A fair, consolidated balance sheet of this nation, including its states, its cities, and its citizens, would, I feel confident, show that our resources and our capital investments, on a fair basis of value, are so far in excess of our aggregate liabilities that the calamity howlers who have been talking calamity or inflation should stick their tails between their legs and run away.

I admit I have not given precise figures to prove my case, but I at least have access to all the figures there are. As a citizen I demand the balance sheet, because I believe we are entitled to know the facts.

As a nation we have been so rich that we have never prepared such a balance sheet. We have acted like the promoter who brags about his wealth but, until compelled to, fills out no sworn statement of his assets. It is time we stopped our loose talk. It is time to take a real inventory and make a real balance sheet of our assets and liabilities. It is a big task, but a necessary one.



FIREWORKS

The 1936 campaign began on January 3rd, when a joint session of the 74th Congress assembled to hear President Roosevelt's message to the nation on the state of its politics.

Powers were surrendered to the President in an emergency. Other powers have been vetoed by the Supreme Court. A third influence that humiliates Congress is the pressure of organized minorities.

CAN CONGRESS COME BACK?

BY RAYMOND CLAPPER

THAT NOISE of grinding gears which is heard around Capitol Hill in Washington is the result of the effort on the part of Congress to go into reverse. After a long, wild ride downhill, Congress is trying to stop. For several years it has been saying Yes. Now it is trying to say No. Congress hopes to resist proposals that it surrender further power. It is struggling to curtail appropriations. This is not an easy task, and it is not certain that Congress will fully succeed. The important thing is that the effort is being made.

Reassertion of legislative authority

is the most important issue before Congress and will continue to be for some time to come. That fact is the key to an understanding of the confused developments at Washington.

For several years Congress has been declining in prestige and power. Since President Roosevelt was inaugurated in March, 1933, and for some time before under the Hoover administration, Congress had been handing over its prerogatives to the executive, setting up new administrative agencies clothed with vast discretionary power. As the Supreme Court stated in its NRA decision,

Congress had even permitted the law-making function to pass into the hands of private individuals such as industrial code authorities. The control of Congress over appropriations was partially abandoned by handing a series of blank checks to the executive. He was given authority to change the value of the dollar at will, to raise or lower tariffs, and to fix taxes, under AAA, by executive decree.

While thus putting itself under the heel of the executive, Congress at the same time found itself trampled under foot by the courts to a degree

not before witnessed in our history. It has been accustomed to having its enactments set aside occasionally by the Supreme Court. But in recent months it has been vetoed by scores of lower court judges, whose injunctions have for the time being nullified congressional enactments. District judges have in dozens of cases suspended the AAA processing taxes. They have nullified the Guffey Coal act, the National Labor Relations act, the Tennessee Valley act. Liberty League lawyers have advised clients to ignore laws which they believe to be unconstitutional.

Lobby Intimidation

While thus pinched between the rising power of the executive on the one hand and of the judiciary on the other, Congress at the same time has been belabored by strong pressure groups holding a blackjack over its head. Congress capitulated to the bonus forces without a struggle this time. Many of its members are trembling with fear at the demands of the Townsendites, promising in the same breath to stand for a balanced budget and a subsidy of \$200 a month to every person who happens to be over sixty years of age.

To make this picture of abasement complete, President Roosevelt used the important occasion of his annual message to Congress as an opportunity to occupy the legislative rostrum while delivering a political speech to the country, ignoring the theoretical role of Congress as a co-ordinate branch of the government as completely as Hitler ignores his Reichstag or Mussolini his deputies. This incident dramatized the low state to which the legislative branch has declined.

There is little profit in debating whether it was necessary that Congress should have come so close to abdicating during the last few years. Or did it lose power because of its own shortcomings? In either event it is important only that Congress regain its prestige.

Parliamentary government is in ill repute throughout the world. Democracy is comparatively new in the history of government. Over the greater portion of the earth other forms of government are preferred. Two modern nations, Germany and Italy, decided that the representative form of government was unworkable, inefficient, and not worthy of survival.

In our own economic crisis we came close to the same decision, and although we left the form untouched, we materially altered the substance. Grant that this was necessary in an extreme emergency. The emergency has passed. We are back within

hailing distance of normal conditions. The time has come to determine whether we shall also restore our methods of government to normal, or whether we shall follow other nations in reducing representative government to a mere ceremonial, with our Congress occupying a position of great ostentation and little power like the few remaining crowned heads of Europe.

President Roosevelt himself, in his recent annual message, emphasized in a curious way the new rise of executive domination and hinted at what it might mean in the hands of certain special interests. In attacking his Tory enemies, Mr. Roosevelt said that they did not really want a return to the past, but desired to seize the new direct powers which have been built up under the New Deal and use them for their own ends. He said:

"Our resplendent economic autocracy does not want to return to that individualism of which they prate, even though the advantages under that system went to the ruthless and the strong. They realize that in thirty-four months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people. Give them their way and they will take the course of every autocracy of the past—power for themselves, enslavement for the public."

Apparently, Mr. Roosevelt is saying that he has gathered so much authority into the hands of the executive that it would be dangerous to entrust it to anyone else. That, of course, is the argument of the dictator—that arbitrary power is the most efficient form of government, that is, if you have a good dictator to exercise it.

That sentence, delivered to Congress, should stand as an unconscious warning that legislative balance needs to be restored.

Signs of Awakening

Already we have one instance of an awakening of Congress to its responsibilities. That is in connection with neutrality legislation. Last summer, President Roosevelt was insistent upon having discretionary latitude to apply embargoes, so that if desired he could discriminate among belligerents, favoring one by providing supplies and crushing another by withholding them. It is astounding that such a proposal could have been seriously advanced, for it amounts to the executive asking

Congress to place in his hands the right to declare war. That would enable the President at will to do everything except send troops. It would permit him to declare economic war. Since the crowded nations of Europe have a surplus of men to do their fighting, the sending or withholding of supplies becomes the vital element.

However, Congress balked at such a surrender of war-making power. A temporary stop-gap neutrality act resulted, in which Congress refused to surrender this prerogative.

During the recess of Congress, public sentiment swung to its support so strongly that the executive capitulated and presented a bill at the opening of the present session which provided that any embargoes or restrictions should apply alike to all belligerents. Congress is determined to retain its power to declare war—military war or economic war—and it will not surrender.

An Executive Setback

It is not likely that Congress will be pressed to yield further ground to the executive. Not only did it force the Administration to retreat on neutrality but it is likely to be spared further crowding from that quarter because the executive branch fully realizes now that it overstepped the bounds which apply in normal times. The Supreme Court brought that forcibly to mind in the Schechter decision, so much so that the Administration itself went to Congress and asked for curtailment of its discretionary authority to levy taxes—AAA processing taxes—in a futile effort to avert a Supreme Court veto of this legislation.

The fact that the legislative branch had to be reminded by the executive that it had been too generous in its surrender of power was a humiliating incident, but one which served to impress upon the membership of both houses the extent to which Congress had abdicated.

The encroachment of judicial authority is a much more difficult problem than that arising out of executive encroachments, and a far more serious one because the courts are not subject to public opinion as directly as Congress or the executive. The adverse AAA decision has opened up a fundamental question as to the desirability of permitting the judiciary, after a lapse of two and a half years in this instance, to exterminate a legislative creation which has become an integral part of the economy of a vast section of the country.

This raises the issue of whether the judicial veto shall be permitted to continue unrestrained, and, if so,

whether the procedure shall be speeded up to avoid chaotic delays in the process of judicial review.

The ultimate fate of the power of judicial review of constitutional questions has become a political issue which doubtless will be debated for some time before sentiment crystallizes into a decision as to whether anything shall be done to curtail that power.

However, it is not at all unlikely that, either in this session or the next, Congress will consider clipping the wings of lower courts which have been setting aside laws and thus adding to the confusion of the interim period before the Supreme Court renders its opinions.

Congress has deprived the lower courts of the right to interfere in labor disputes by issuing injunctions. It may attempt similarly to deprive them of authority to nullify acts of Congress by injunctions based upon alleged unconstitutionality. Hundreds of such injunctions have been issued within the last few months. These injunctions have resulted in impounding \$148,000,000 in AAA processing taxes up to the time when the Supreme Court invalidated the act. Although the court made the expected ruling that these impounded taxes should be returned to the processors, the billion already collected will probably cause further confusion.

That such a state of judicial anarchy should prevail for nearly three years, with regard to a vital statute like AAA, is almost unbelievable. Needless confusion, monetary loss, uncertainty, and public waste are inevitable under such procedure. Whatever may be the final verdict of public opinion as to curbing the ultimate power of the Supreme Court, there is increasing opposition in Congress to allowing lower courts to spread confusion and conflicting decisions. Sentiment is growing for withdrawing this power from the lower courts, as it has been withdrawn in the case of injunctions in labor disputes. It is suggested that questions of constitutionality should be certified direct to the Supreme Court, which would thus have original jurisdiction.

Now Up to Congress

President Roosevelt hinted at such a step in his annual message when he said:

"The carrying-out of the laws of the land as enacted by the Congress requires protection until final adjudication by the highest tribunal in the land. The Congress has the right and can find the means to protect its own prerogatives."

Perhaps the greatest sapping of the prestige of Congress arises from its

own weakness in resisting pressure groups. Its vacillation in face of pressure breaks down its resistance to the growing power of the executive and the judiciary. After holding out against immediate cash payment of the veterans bonus for years, Congress, facing an election campaign, capitulated and returned to Washington prepared to vote without a struggle the payment of more than \$2,000,000,000 without even providing the funds.

Several other costly measures are being pressed. Aggressive minorities are championing not only the Townsend plan, but measures like the \$3,000,000,000 Frazier-Lemke bill to permit the federal government to buy up farm mortgages with printing press money, and the Bankhead Farm Home Authority bill which would distribute \$1,000,000,000 of federal funds to subsidize small farmers with low rate loans of long maturity. Congress encouraged such groups by its weak policy of permitting wasteful and lavish relief expenditures. Its surrender on the bonus gives further encouragement.

Loss of Respect

One reason for the rise of executive power in the last quarter of a century has been the steady loss of public confidence in Congress. Slow, unwieldy, easily subject to pressure politics—the cash bonus would have been paid long ago had not a minority of the Senate sustained the vetoes of one President after another. Congress has appeared unable to grapple with the increasingly complex government problems arising out of modern economic and social conditions. That natural difficulty, plus a loss of respect for the ability of Congress to withstand organized minorities, has caused the public to turn to a strong executive for protection against Treasury raids.

But within the last year there has been a considerable loss of confidence in the executive. Fear of an over-strong executive has been increased by the rise of European dictators. Some of the Roosevelt policies have accentuated those apprehensions.

This creates an ideal time for Congress to reclaim its prerogatives. Public sentiment appears to be more favorable to it than at any time since the depression began.

The legislative situation also favors it. President Roosevelt has, by his own statement in his annual message, virtually completed his New Deal legislative program. Apparently his demands on Congress are to be much less from now on. That removes one source of pressure.

The necessity of curtailing appro-

priations in order to work toward a balanced budget also provides another incentive. The public debt is now about \$30,000,000,000. Deficits have added to it ever since the last part of the Hoover Administration, when declining revenues and increased expenditures finally put the Government into the red. According to Mr. Roosevelt's figures the budget can be brought virtually into balance during the coming fiscal year except for relief expenditures. Nothing would restore the prestige of Congress more than a firm policy with regard to eliminating unnecessary expenditures.

Yet it is obvious that Congress can be only partially successful in this effort to reduce expenses, considering its eagerness to pay the bonus at once, in the face of Secretary Morgenthau's announcement that eleven and a half billion of new revenue would be needed in the next seventeen months.

For the first time during the Roosevelt Administration, little is asked of Congress except that it pass the regular appropriation bills. Congress is not to be goaded, as it has been for three years, into passing all sorts of legislation. It is being encouraged to hold itself in leash. The Administration does want ship-subsidy legislation, which is a matter sufficiently troublesome to warrant the closest scrutiny before final passage. And it wants pure food and drug legislation previously requested. Otherwise little in the way of new policy legislation is being sought, except to replace measures invalidated by the Supreme Court.

A Breathing Spell

To be sure, the transportation problem and some other matters are in need of attention. These are long-time questions, better considered deliberately later on than in the feverish confusion of a political campaign year. Proponents of government ownership of railroads are organizing and eventually will force a showdown in Congress. But it is not likely to come at the present session.

In general the country is suffering from legislative indigestion, and time is needed while the numerous regulatory measures of the last three years are assimilated. Congress is utilizing this interval, under considerable difficulty, as a breathing spell of its own during which it can recuperate from its recent prostration and rehabilitate itself in the confidence of the country.

It is from that point of view, rather than in the light of specific legislative accomplishment, that the record of the session now begun will be judged by the country.

A WORKER LOOKS AT WPA

BY EDWARD M. BARROWS

One of three million citizens who unexpectedly found Uncle Sam their employer, under various alphabetical agencies, weighs certain effects upon the minds of the workers and upon the country.

No AMERICAN can grasp the meaning of the past five years of our nation's history who has not been compelled to live under the restrictions of one of our tax-supported industries, and on the "subsistence" income they permit.

This statement does not set up any exclusive coterie of insiders. According to various estimates five to ten million citizens have been seeing America under the guidance of WPA, or PWA, or CWA, or ERB, or TERA, or what have you. Naturally their judgment of events is going to count in the future, and naturally it is going to be emphatic and highly

colored. The victims of a railroad disaster never have the same view of railroad companies as the stockholders. If they were permitted to vote at directors' meetings, as are the stockholders of our republic, some dubious changes might follow—dubious, because whether right or wrong they would be based on hot emotion instead of judgment.

Therefore it is crucially important for the American people to understand the workings of our unique work relief organizations, and how they affect the minds and beliefs of the workers. Some three and a half million people now are subject to the

dictates of the Works Progress Administration alone. Probably two-thirds of these have votes.

Twenty-three hundred thousand is a considerable block of votes to be influenced by the workings of a machine that our city, state, and federal governments set up. It is a number large enough to cause some reflections when we consider the natural tendency of citizens in a democracy to vote with their emotions and not with their intellects.

Also, the public attitude toward work relief, and toward the public officials who have made it what it is, is influencing our present-day psy-

From Art Service Project, Works Progress Administration



OCCUPIED

Musicians of the Manhattan Concert Band in action; a unit of the Concert Division, Federal Music Project of the WPA. At right, workers detailed to one of the white-collar projects.

chology. This is inevitable when we realize that the relief work cohorts unanimously hold that the difference between their own millions and the millions still economically competent is not the traditional difference between the pauper and the rugged individualist at all. In the crash of our banks and industry, they will explain, they were caught beneath the walls while their luckier friends were nearer the doorways. They resent any other inference.

Mental Inertia

Public opinion among WPA workers is formed by the same proportionately small class that make public opinion everywhere. The bulk of the workers are as inarticulate here as outside. They have fallen victim to economic conditions they have never attempted to understand, and they take the result with the same apathy they have taken their politics and economics all their lives.

Many thousands among them are receiving about as much as they ever could expect in the world of disorderly competition from which the WPA is their refuge. The stolid grind of WPA life is merely their idea of what work always is—a routine to be gone through as quickly and easily as possible, with the real enjoyments of life left for leisure hours.

Of leisure there is as much as any modern industry affords—in many cases much more. Certain skilled

labor classifications work only 56 hours a month for a full month's pay. With most workers, six hours is a normal day's labor, and Saturdays and Sundays are always free. If it is true that employment never again reaches the universality that ended in 1929, a large percentage of WPA employees will not worry much about their future.

They object to the over-many rigid rules which, they feel, make their work unnecessarily hard. They are discontented over what the politicians tell them to be discontented over. Also they reflect restlessly the resentment of the mentally sensitive, cultured men and women who labor side by side with them, and who understand the reality of their grievances against their fate. But, after all, this describes the life of unthinking two-thirds of any American or English industrial community.

But the thinking third have some real grievances, deep seated, dangerous to ignore because the conditions they resent are not solely of WPA making. Indeed, if that many-minded body could find a voice it would join in the protests of its members. Resentment is divided among (1) what these consider the disaster that landed them where they are, (2) the unnecessarily humiliating ordeal through which they had to pass in order to enter this strange branch of the public service, (3) the insufferable attitude of many of the civil service workers and publicly appointed

officials (who should be intelligent enough to know better), and (4) most disheartening of all, the general attitude of citizens fortunate enough to have eluded the clutches of public relief.

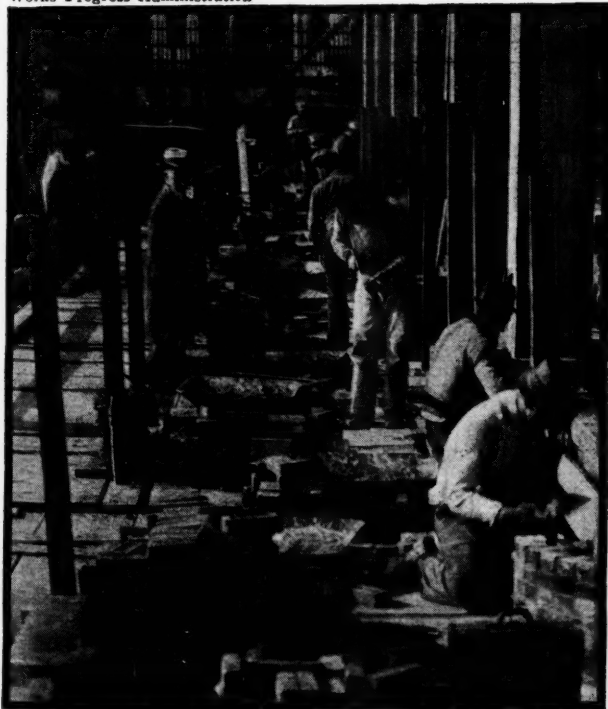
These workers steadfastly refuse to recognize any other distinction between themselves and their fellow citizens privately employed. It is the first article of the credo of their self-respect. A pity it is that the nature of the whole WPA organization will not permit this high self-faith to express itself in works.

Political Fetters

"I went into this thing with an ambition to do something big in a public way with my project, that I never had on a private job," said one supervisor, himself a newspaper executive of long and successful experience. "But after six months of being blocked by organization red tape, being high-hatted by cheap politicians outside, and spending most of my time trying to get a decent day's work out of half my staff, under the rules, I said to hell with it, and settled down to make out forms and let the time go by. And it seemed that nobody cared much."

Many times was this dejected attitude voiced to the writer in his own experience as a personnel officer in the WPA, by ambitious research workers who waited weeks for red-tape clearance on plans unofficially

Works Progress Administration



SERVICE

Bricklayers building a promenade and swimming pool on Staten Island, and, at right, men assigned to take street-peddlers' opinions on a public market for the City of New York.



USEFUL *WPA workers employed in the Seaview Hospital, New York, a city hospital for tubercular patients; a wise use of funds.*

endorsed; by professional men and women eager to contribute their skill to the public service instead of ruling blanks and copying records; by others wearily awaiting earned and promised promotions that got sidetracked, no one knew how; by supervisors responsible for accomplishments within a definite time, but held up because an appointment or a requisition had gone wrong and was lost somewhere in the meshwork of offices, inspectors, and personnel men between the project office and headquarters.

In one case a worker hastily summoned for an emergency task was held up so long, while his appointment was going through channels, that the project plans had been changed and his job long abolished when he was allowed to report for duty.

To the worker in the field there is something exasperatingly supine about the overhead organization of WPA, that wears out ambition and initiative in the mere attempt to stir its slow length into action. One is reminded of the "Doig" of Ibsen's play, which lay across everyone's path, could not move, and could only protest if prodded. Most of the hard-working officials feel that they cannot be blamed individually for this.

It is the organization that is at cross purposes with itself, due to theoretical plans hurriedly made out in Washington and as hurriedly abandoned in favor of others; to wearisome changes in administration, each new administrative staff bringing in its own retinue and its own ideas and superimposing these upon the old; to putting new routines into operation without taking time to abolish the old. Over all hangs the perpetual menace of political intrusion, which leads to rules and rulings as effective

against efficiency in the field as they undoubtedly are against turning the whole organization into an arena for political combat.

In fairness it must be emphasized that WPA is something new under the sun. It has undertaken a gigantic task without any precedents, and it has had to make up its routine as it went along. Responsible men on the inside say that gradually the unwieldy mass is organizing itself. The clogged channels between headquarters and the field are being cleared, obsolete requirements are being abolished, and a substantial, effective organization is on the way. But will a new administration suddenly appear, and start this progress all over again?

A Costly Ruling

The pay-check delays of the summer of 1935 struck a staggering blow at the WPA morale. At that time, the federal government which had just taken over relief work in New York City, under the banner of PWA, suddenly announced that thereafter salaries were to be paid twice a month instead of weekly as had been the rule. In adapting the old system to the new overnight, the payrolls became confused. Projects had to get along as best they could until the bookkeeping was straightened out.

The headquarters staff drew its checks regularly, but no field supervisor will ever forget the scenes in the project offices during those payless weeks. Hungry, weeping women and white faced, angry men thronged the offices, demanding relief for themselves and their families at home. They refused to go out on project work, which was natural enough since many of them had

walked breakfastless to their work leaving crying children and threatening landlords behind them. Mobs of men besieged headquarters offices demanding their pay.

Then in response to a desperate appeal to Washington, word came that a check for something over a million dollars was speeding by airplane to New York as a free gift to the workers, to tide them over their distress. That night the payroll office showed what could be done if the loyalty and enthusiasm of WPA in an emergency were given a chance free of the red-tape encumbrances. All night the payroll staff worked unceasingly. In sixteen hours after the notification came that the money was en route from Washington, 93,000 individual pay checks were made out. Emergency pay officers were established at key points in the city. Police reserves herded the crowds of workers into line, and before the day was over the checks had been properly distributed.

The taxpayers paid a million dollars for those mistakes in bookkeeping, in addition to the waste of time and energy involved. But scarcely had the furore died when it was announced that the new plan was abandoned and the system of weekly pay checks was resumed. This led to fresh delays and confusion that lasted into December, early in which month the new method was abandoned in favor of a system of weekly pay checks for the rank and file, and bi-monthly checks for all above the grade of supervisor. This necessitates the keeping of two kinds of books. How long it will last is extremely conjectural.

Pay routine has always been such that much of the field work is upset a full half-day every pay day. This is because the workers must remain in the office until the paymaster comes, and the latter's hours are irregular. There are ten half-days in the typical WPA working week, so that many a field worker spends ten per cent of his time collecting his pay. Such a system would bankrupt any large industrial plant, yet WPA officials seem well enough satisfied with the arrangement. Such incidents discourage the workers into feeling that nobody really cares what results they get, so long as time sheets, payrolls, and other records are satisfactorily filled out.

Another rebuff to the WPA morale comes from the very source which the workers should expect to find the most understanding—from the regular civil employees of the city. In theory the idea of sending in emergency workers to reinforce the civil service would be perfect, if other theories did not interfere. The

classified civil service in New York City is a widespread, self-contained organization, permanent in nature and jealous of its prerogatives.

Like WPA workers, civil-service appointees are intricately graded with definite duties belonging to each grade. WPA workers are assigned to work beside them at smaller salaries but with the same duties. Both classes resent this. The civil-service contingent feels that the intruders prevent natural increases in the civil service, and the new opportunities that such an increase would provide. They fear, also, the effect on their own pay checks of another group of public employees doing their work at lower salaries.

Friction and Waste

There is a widespread feeling among WPA workers that in too many cases they are not reinforcing the public service at all, but instead are taking over the more unpleasant phases of their co-workers' jobs, while the latter use the opportunity to loaf, so the result of the arrangement is only to pay two men for one man's job. Also, they feel completely at the mercy of the civil-service workers, for these men are in a position to enforce their will and file complaints to the WPA if any question as to their authority or methods is raised.

In spite of all this, the larger portion of WPA additions to the civil service are warmly received, and even encouraged to try for civil appointments themselves.

The false public attitude toward the WPA personnel is largely of political conception, and it is one of the most serious obstacles the American taxpayer has in getting his taxes' worth out of WPA. It is the politician who created the phrase "made work", perhaps the most destructive and unfair characterization of legitimate public effort that has ever been devised. Through wide dissemination of this phrase, multitudes of the public are given to understand that WPA's millions of workers are being philanthropically kept alive by useless work artificially created to keep their minds and hands occupied.

As a matter of fact, every project of New York's four hundred has definite purpose, sponsored by a branch of the public service that needs it, and subjected to careful and impartial scrutiny for effectiveness and objective value before it was authorized. This statement is cheerfully offered for any test of facts that a doubter may wish to institute. Some of the projects are abstract in their values, and a politician cannot be expected to understand them. That does not excuse

the politician if he proclaims his own ignorance as the truth; nor excuse New York newspapers who broadcast his ignorance as the truth, for they have intelligent journalists who could get the facts if they took the time.

Instead of an impartial representation of WPA, with its high objectives and its myriad faults to offset them, the public is fed with such exhibitions as the aldermanic investigation of last spring, with its pettinesses, its personal spite, its exaggerations of spectacular incidents into major crises. This the gleeful newspapers offered as a true cross-section of work relief in New York City.

"Made work" exists in the sense that the unemployment situation offers a present opportunity to get many things done which the city would not be able to pay for even in normal times. But "made work" in the political sense has crept into some projects on the well known "give a dog a bad name" principle. The term is too often applied indiscriminately to the trivial tasks set for the old or infirm PWA workers, who are not competent for heavier duties.

These misconceptions, added to the equally unfair idea that a relief worker is essentially a pauper, have helped to put him in a false position before the general public. Investigators complain that they are insulted by housewives and business men with whom they come into official contact. A widespread fear prevails that relief workers are handicapped in seeking outside employment, because of their WPA experience. The troubles between the civil service and the WPA workers individually—there is not this trouble in official relations—are a part of this politically nurtured skepticism of WPA.

With so disillusioned and disheartened a body of workers, how can any organization, public or private, be expected to deliver its full potential strength in return for the taxes lavished upon it?

It Is Worthwhile

When we weigh the debits against the credits of WPA, most of its more publicized difficulties—the bickering of organized labor, the fumbling and backing-and-filling of its cumbersome machinery in trying to spring full grown from nothing to attain unprecedented ideals—the faults tend to sink out of sight as only incidental birth pangs.

On the credit side, the WPA in New York has saved a quarter of a million citizens from dependency. It has turned their brains and their muscles to public account, in the greatest peacetime emergency this country has ever known. It has

effected public improvements and aided public service at a time when these things were sorely needed. Its vast, complicated organization is a monument to itself, for whatever political leaders think of its operation, it has pointed a practical solution for the common man's difficulties in dealing with the stark horrors of unemployment in a depression. A large group of citizens in the upper income brackets will not understand such a statement, for this horror must be experienced to be understood.

Colossal Bungling?

On the debit side are the immense tax funds which through sheer bewilderment and cross purposes have been thrown away, as far as the public service is concerned. And it takes only a little observation beneath the surface to perceive how the administration of WPA has shaken the confidence of the average worker in the standard panacea of government operation as a cure for all economic ills. This is an asset or a liability, according to the economic faith of the reader.

Party lines within the workers' ranks are pretty much the same as they are outside. There seems to be little disposition to blame the present administration; but most of the workers are bitter in their expressions that they will have none of government operation once they are free of its meshes that now entangle them.

They have seen a mighty, tax-supported machine, soundly conceived and sensibly planned, set out to accomplish a reasonable piece of work with abundant funds and with general public approval. They have seen this machine strangling in its own coils, until many of its own officials are unable to keep track of the details of its operation. They have seen expensive systems of control installed one week, and abolished the next, in sudden unorganized changes.

Yet they know that, except for the poisonous infection of politics, the operative problems of the WPA are no more impossible of solution than those of a hundred giant industries all over the country.

The drive of present day economic forces may make the WPA or something like it indispensable for a long time to come. Given an unencumbered, self-operating status like the civil service, it already has shown that it can justify itself. But the people who have been at the mercy of the various work-relief organizations during the past three years will have difficulty in adjusting themselves to any idea of government conduct of business affairs for many, many years to come.

DARK-HORSE DICKINSON

BY RICHARD BARRY

If the Republican convention next June should be deadlocked, accepting no one of the candidates whose hats are early in the ring, the senior Senator from Iowa is "available" for many reasons.

Kaiden-Keystone



IOWA

Lester Jesse Dickinson, Congressman for twelve years, Senator for five years, now put forward for the presidency itself.

THE LOGIC in events indicates that the Republican nominee for the presidency in 1936 will be a westerner, preferably from a farm state. A convention striving to unite behind a winner will seek someone liberal enough to secure progressive votes yet conservative enough to capture the East. Since extravagance will be a leading issue he must have a good fiscal record. As he may have to deal with a divided Congress a man of tried congressional temper will be preferred.

And though the platform is not yet written it is inconceivable that the Republicans will fail to join sharp issue on the New Deal. This adds as a final requisite that the candidate shall stand out as one who not only subscribes to the 1936 platform but also from the beginning stood stoutly against Rooseveltism even at the peril of his own political life.

Find the man who best answers this description and we may know the nominee.

Let us look at Lester Jesse Dickinson, United States Senator from Iowa, whom his friends know as "Dick" or "L. J."

"Whonell is Dickinson" appeared as an editorial in the Britt (Ia.) Tribune early in 1918, when the county prosecutor from Algona, 20 miles away, threw his hat in the ring as a candidate for Congress from the Tenth District. This is the same district which in the decade after the Spanish War was represented by the great Dolliver, who later was sent to the Senate. To this day mid-westerners mention that name with a wistful smile, and tell you stoutly that *there* was a man who should have been President—only he died comparatively young.

For ten years Dolliver's place in the House was taken by a pussyfoot (name long forgotten except in the



RELAXED

The Senator enjoys the company of his grandson, Rollin Hunter, Jr. The Washington "family" includes Mrs. Dickinson and their daughter and son-in-law. His son is a Des Moines attorney.

records), but 1918 was no year in American politics for a pacifist. The incumbent thought he was secure, chiefly because he had a 20 per cent German vote in the district; but Dickinson went into the primaries and by a frontal assault on his negative war record took the Republican nomination and then, more easily, won the election itself.

It was a dramatic beginning, in the national arena, for a fighting political career whose basic life-time platform can be expressed in one word—Americanism.

That election and the Armistice came the same week. Dickinson had been elected for his war talk. When he took his seat, however, the war was an episode in history and the United States had begun its long struggle with the consequences. If anyone thought he was only "another patriot", riding into office on a temporary emotion, they knew nothing of the man or of the forces within him which were coming to life. No one even vaguely suspected the part he was to play in the coming epoch; he himself was unconscious of its elemental reach and bigness.

The House got its first taste of the authentic Dickinson less than a month after he arrived in Washing-

ton, and after he found he could not get on the Agricultural Committee. Iowa's place there was already filled by Mr. Haugen, later co-author of the McNary-Haugen act. Yet Iowa's senior agricultural voice was so impressed with the intelligent eagerness of his junior that one day he invited Dickinson to attend a meeting of the committee as his guest.

Thus the heir came to his estate and put his feet under the table for the first time.

As Congressman

This writer is indebted to Col. John Q. Tilson, of Connecticut, who served more years in Congress than any other man but one, and who was Republican floor leader of the House for many years, for a vignette of that episode and the legislative career evolving from it.

"You must realize," said Colonel Tilson, "that a new member of Congress rates lower than a college freshman as a rule. New members who try to make themselves conspicuous usually make a fist of it. If they do step out it is with a speech or an interview. I never knew of any other first-term Congressman who went at once right after the organic

heart of the House, which is its ranking committees in constructive session. Yet that is what Dick did, and I think he was totally unconscious that he was establishing a precedent.

"When Haugen took him into that regular meeting of the Agricultural Committee Dickinson was not only a new member of the House, but he was also not on the committee. Yet he participated in the proceedings like an old hand, and he must have been mighty tactful about it because he did not offend the members of the committee.

"It was readily apparent that he knew the subject as well as any of them, and better than many. He asked questions quietly. One after the other they went on the grill, and didn't know it. He shot full of holes a certain proposition that was up, and then while they were flat he put out an idea none of them had ever considered before. It was practical and statesmanlike. This took them off their feet, for there was no arguing about it. Dick doesn't go in for special pleading. His whole bag of tricks consists of logic and common sense. And, remember, he was talking to the greatest experts on farm legislation in existence. They admitted it themselves. Dick drew

rings around 'em and didn't even know he was smarter than they were.

"Almost from that moment Dick went into leadership of what became known as the farm bloc in the House. He is the master of farm legislation because he has been studying it, thinking it, fighting it every day for years. He knows every twist and turn, every hook and crook and subterfuge of his opponents. And he can't be whipped—not on logic.

"In the twenties there was no bigger force in Congress than Dickinson. As I am out of politics, and old enough to see things impersonally, perhaps I can analyze the reason. Don't think because Dick is not earning a hundred thousand a year from some corporation in the city that he is not a great lawyer. He is. Nick Longworth knew it and said so, as we all did. He is also a great farmer, but not before he is a great American. He never asked anything for the farmer at the expense of the rest of us, and he made us realize that we are all in the same boat—farmers and others."

Colonel Tilson concluded: "I watched Dick in the House for twelve years, part of the time as his leader. One of my chief impressions of him is this: he is as impersonal as a tank of gasoline—he is just motive power to be used to go somewhere. At vote time he is not a swapper. He is not a log-roller. He wins by persuasion on merit. And he is not dogmatic. Tackle him on a subject he knows and you will come out second best and think all the more of him. That—and courage, for his record shows he is not afraid of anything, not even of unpopularity nor of being wrong—has put Dick right up where he is—the best Republican bet in 1936."

Let us pause and look at the man himself as he was in 1919, a congressional neophyte. As Emerson wrote to Walt Whitman at a similar age: "you must have a long foreground for such a start".

Essentially Farmer

The Dickinson family line lies before me, properly documented, right back to Nathaniel Dickinson who was born in Ely, Cambridge, England, in 1600, and came to Salem, Massachusetts, in 1630. Following that come twelve generations of Dickinsons, all farmers, nothing but farmers. The Senator himself was born in Lucas county, Iowa, October 29, 1873, on a farm owned by his father. His father had migrated to Iowa from Ohio on a flat bottomed boat, and his grandfather had gone in an ox-cart to Ohio from Massachusetts, where an earlier ancestor had settled the town of Hadley.

The Dickinsons have "farmed it" for 300 years along the line of the historic migration and settlement; they are integrated forever as a part of the essential epic of America. The father served in the Union army from 1861 to 1865. His son, the present Senator, born eight years after the war was over, plowed, milked, hoed, cut, dug and drove, went to common school, grew tall and solid. He came to be five feet eleven, without an extra ounce of flesh, smooth-shaven, of firm Roman features, strong mouth, grey eyes, an unruly lock of hair that flopped over his forehead, broad shoulders, very white teeth and a most charming smile.

The Call of the Law

The father helped the boy go to Cornell College at Mount Vernon, Iowa. The first summer young Dickinson hired out as a farmhand to a neighbor. The second summer he hired out as clerk in a hardware store. All the time he was studying stenography at night school, and the third year he hired out as secretary to the president of the college.

Dickinson played on his class baseball team, but he is not a baseball fan; he has never seen a world series. He played guard on his class football team for three terms, but he is not a football fan; he never saw a big eastern game except once when he went to Annapolis.

He has no parlor tricks. He does not go in for collecting. He does not play cards. He belongs to no social clubs. He does not smoke. He does not drink. Yet he holds none of these as don'ts for others. One feels after associating with him that he has had neither time nor inclination for such indulgences, and that as they mean nothing to him their practice by others equally means nothing.

Dickinson graduated in 1898 from Cornell College with a B.S., and in 1899 from the University of Iowa with an LL.D. Why did he not go to that Mecca of every bright young middle-wester, Chicago? Or at least to the big city, Des Moines, nearer at hand? He went, rather, to Algona, Iowa, a town of about 4,000 people and has lived there ever since, except for the time spent in Washington during twelve years as a member of the House and five years as Senator.

Huey Long once rose in the Senate and read from a typewritten sheet a list of corporations which had paid retainers to his colleagues. Dickinson of Iowa was not among them, and for a good reason. He has never taken a fee as a lawyer from any single corporation.

Since he has been in public office he has had no law practice. He be-

lieves that his sole client, his constituency, is entitled to all of his energy. He has refused many important retainers, some of them most lucrative, because of this singleness of devotion.

Before entering public life his clients were only farmers and small town merchants and he was chiefly concerned with leases, titles, and crop movements. In those formative years he had repeated offers to remove to Des Moines, the state capital, which would have increased his income vastly. He chose to remain among his own people. While his income did not soar, still it was sufficient and he never lost a client.

This intimate association with the simple problems of homely people has been the source of his strength. His command of public affairs and of the human problems underlying legislation has been hammered out on a practical anvil. His primary textbook is his own experience.

Another significant item in the Dickinson record: He was county prosecutor four years, but never in his life has he been defense counsel in a criminal trial.

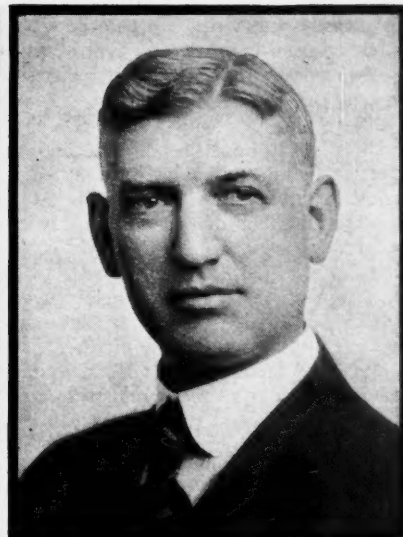
Events have proved that Dickinson had the stuff in him to meet all comers and hold his own with the best, perhaps to shine beyond them. What held him through his twenties and thirties to that small town of Algona? What was stronger than the glints of far-off cities? Was it a nostalgic ancestral attraction? There he was to all intents and purposes still a farmer—college bred, but linked by bands stronger than steel to the problems of the soil?

Farm Bloc Leader

Let us look at the years 1919-31, in which Dickinson made his name in the House. Proof of the integrated quality of the man lies in the fact that leadership of the farm bloc gravitated to him at once, and was not disputed in the twelve years he remained a Representative. During that period he was the most potent House orator on agriculture. He was prolific with suggested legislation. With these two rare abilities went a third, which if not rarer is often more effective—ability to organize associates for practical political effect.

In Dickinson, therefore are united these three important qualities: the power of constructive thinking on major legislation, the gift to articulate its meaning, and the political skill to consolidate forces and overcome opposition.

The canny Coolidge often clashed with Dickinson, who always stood his ground. One day Speaker Longworth, inspired by the White House, failing to modify the stand of the bloc



ALGONA

Here is the Iowa home in which the Dickinsons have lived their married lives and a picture of Mr. Dickinson as he looked when he first ran for Congress in 1918 at the age of forty-four.

leader on farm relief, said: "Dick, you certainly are a hell-raiser for agriculture. You eat and sleep it and you won't back down an inch. You are a hard fellow to deal with, but I will say this for you. You are regular. You know what you want and you never quit going for it, but you don't jump the reservation!"

Shortly afterward, Coolidge recommended Dickinson to a Massachusetts audience as "The House's strongest speaker on farm relief". Then came the Cleveland convention of 1924, in which Dickinson was put forward for the vice-presidency. Dawes was nominated. At once President Coolidge asked Dickinson to present his case to the independent progressives of the Middle West, which he did with success.

This is significant as the measure of a man who could plead the cause of a chief, who had not always supported him, to followers whose interests he had neither forgotten nor neglected.

Dickinson has always been rated in Iowa (where he began as a follower of Dolliver and Cummins) as an independent progressive, but not with a capital P. He was not a Bull Mooser. He reminds one of the elder LaFollette in his factual grasp of economic problems, and in his ability to dramatize them for a wide public. This, however, is only in method of approach. In political philosophy they were as far apart as the poles.

I asked the Senator his opinion of the original LaFollette. "Personally I admired him," he replied, "but politically we had little in common. He spent his life thinking up ways of putting the state into the life of the individual. He believed in the policeman as the most potent factor in modern society. To my mind that

has but one logical conclusion—complete destruction of the individual life of the citizen. While the state should assist the individual in certain regulations, even these should be motivated by the individual, and the state must at all times exercise rigorous care not to break down our most precious possession, that of individual initiative."

An Uphill Fight

Dickinson's philosophy took concrete form in those twelve years in a series of legislative efforts, including the Grain Futures Act, the Cooperative Marketing Act, and others. With his driving force behind them it was breaking down the barriers in both parties, but the Dickinson philosophy did not come into complete fruition. Why?

First, because no nation has yet solved the farm problem, which many declare is the basic problem of modern times.

Second, because even Dickinson does not claim that he has solved the problem, but only that he has the right principle for guidance toward a solution.

Third, because the depression threw control of the Government to a man who vigorously tried to solve this major difficulty by scrapping all its indicated lessons and substituting for the complicated adjustments which were being intelligently devised a blanket bureaucratic control. As Dickinson says, "this is only a shot in the arm. It may take away the pain for a while, but the trouble is still there and it may even be worse when the effect of the dope wears off." Between 1933 and 1936 Dickinson was compelled to watch, passively the Government's sharp move to the left,

which stupefied if it did not destroy the painfully learned lessons of a dozen years.

From 1922 to 1932 Dickinson was the authentic voice of the American farmer. Not only did he lead the farm bloc in the House, but every farm organization repeatedly endorsed his program. When he returned to his district for reelection he was opposed only once by a Republican for the nomination, and only twice by a Democrat for the election. Three times—in 1926, 1928, and 1930—he had no opposition. The Tenth Iowa, heart of the farm belt, thrice sent him back to Congress by a vote of 100 per cent.

That he had become established as more than the voice of the farmer, that his normal growth had brought him inevitably to a national stature, and that his vision embraced a party-wide prospect, was proved when he was chosen to deliver the keynote address at the Republican National Convention of 1932.

The Dickinson Idea

What is the Dickinson idea? A farm organization man explained it to me, saying: "It is expressed in the phrase *the ever-normal granary*. The phrase is Henry Wallace's, but the idea belongs to Dick. He brought it to Washington in the early twenties and was laughed out of court. I have known him to peddle that idea up and down, from Capitol to White House, gaining a bit on each trip, say an inch at a time.

"Then the depression hit us, Wallace came along, grabbed the idea, put a pretty phrase on it, and look at the old thing now. It is what Dick has always struggled for, the ever normal granary, but cluttered up and

bogged down with all the gadgets Dick refuses to have any truck with—crop restrictions, bonuses, processing taxes, benefit payments. Dick was well on his way to get for the farmer what he still believes in, an ever normal granary, but entirely without any form of subsidy."

With that comment in mind I was interested to find in *Wallace's Farmer*, in 1926, this item, written by the present Secretary of Agriculture:

"This fall I heard Congressman Dickinson at a farmers' picnic. **A plain dirt farm audience. **He has made his ideas so fresh and dramatic that both the farm men and the farm women caught just what he was driving at."

Concrete Proposals

So, early in 1936, I asked the Senator, "what are you driving at now?"

"The same thing," he replied. "I want the farmer independent, but not at the expense of someone else. Whenever you pull down any class in America you pull down the farmer, just as when you elevate the farmer you elevate every other class in America. I want to see labor well paid in real wages and fully employed, for two reasons: because that is just to labor, and because that improves the farmer's market. They—farmer and laborer—are bound together. We are all bound together."

"Have you concrete proposals?" I asked.

"They are easily arrived at," he asserted, "if we hold to the right principle. That is illustrated in one of my early ideas—the Farm Certificate plan. It aimed to do for the farmer what banks do for any other business man—permit him to hold his product for the best market while converting into cash the bulk of its minimum value. When I proposed that it was revolutionary. Now it is commonly accepted."

"To get on our feet again we will have to proceed along this line, but there is a definite point in governmental assistance at which I stop. That point is when measures are proposed to take from the farmer his common law and constitutional right to possess, to enjoy, to buy, and to sell his own products as he will. Most New Deal legislation is beyond this point."

Since March, 1933, Dickinson has been a member of the minority, and he has also been in the branch of Congress which seldom originates domestic legislation. So he appears to have been on the outside looking in. But, as Colonel Tilson says, "I do not think the Senate has spoiled him. While in the Senate he has not had a committee where his party held a

majority in which to work for legislation. But his voice has been heard, far and wide. In the Senate he was put at once on the Appropriations Committee, which was the only committee he had served on in the House. Thus in all of his seventeen years in the two houses of Congress he has been a responsible voice in national fiscal economy."

The Senator is one of the few Republicans who stood out against the New Deal from the very first, and at a time when it took intestinal fortitude to brave the gale.

Illustrating this, one of Herbert Hoover's close advisers reports that "the Chief has kept tabs in the form of a baseball score sheet. With each piece of New Deal legislation he has noted how each of them voted, and has given due ratings. Dickinson is at the top of the list. His batting average against New Deal legislation is 950 per cent. That of his nearest competitor is 525 per cent."

One may realize what it cost to earn this encomium when it is noted that Iowa stands at the head of the list of states for percentage of cash benefits under the AAA. Iowa's cash benefits amount to 20 per cent of her farm income. For a politician to tell his constituency that it is wrong for them to take government checks amounting to 20 per cent of their income takes courage—and old-fashioned character. That is what Dickinson did.

Dickinson talked so stoutly against NRA that in the fall of 1933 a state committeeman from Iowa said openly that the Senator could not be elected dog-catcher in any county in the state. This adverse condition of public opinion among the people of his home state, who, while receiving cash benefits in their mail, apparently had forgotten that he is a good lawyer as well as their firm friend, went on abusively up to the morning of May 29, 1935, when the supreme court handed down its decision that NRA was unconstitutional. On May 30, for the first time in two years, the critics of Dickinson were silent.

The AAA Decision

Yet this was only a faint foretaste of what is in store for him after the decision on January 6 by the Supreme Court that AAA also is unconstitutional, because Dickinson had never ceased proclaiming, bitterly proclaiming, against that part of the Act which the Court now agrees with him was in violation of the basic law of the land.

AAA was an omnibus act, embracing several classes of subject matter. Two of its titles Dickinson approved, because they incorporated the essen-

tial features he has always advocated. He vigorously denounced those portions involving the processing tax, crop control, and cash benefits. Against this part of the AAA he has been a consistent opponent both on the Senate floor and off, repeatedly, for more than two years.

What effect will the Supreme Court's decision have on Dickinson's political fortunes? In reply I quote a farm organizer of many years' experience, who said to me a week before the nullifying decision was handed down: "If the Supreme Court decides against the AAA, Dickinson will ride to the top of the wave of farmer popularity, for he has been the most outspoken and implacable foe of AAA, and they all know it. For many farmers who respect him it has been hard to listen while the money was coming into their pockets; but if the Court tells them he is right they will flock back to him with greater loyalty than as if they had never wavered. Don't believe any nonsense about any farmers disputing the Supreme Court. There will be none of that. They have a much better and much simpler remedy than amending the Constitution. They will just turn to Dick for the answer."

In the light of this, as well as of other evidence I have along the same line, it may well be that the Supreme Court on January 6 unwittingly uttered the decisive vote in the choice of the Republican standard bearer.

The Eastern View

While Dickinson is assured of the support of his own and neighboring constituencies, here are two items from past news which reveal how he is regarded in the East. The first concerns a debate in 1928 on the merits of the McNary-Haugen bill, then before Congress. It was held before the Chamber of Commerce of Worcester, Massachusetts. Against the bill appeared an eastern conservative, Congressman Franklin Fort of New Jersey. For the bill appeared a western liberal, Congressman Dickinson of Iowa.

In the early winter of 1934 (six and a half years later) the same chamber of commerce held another debate, this time on the merits of the New Deal. Congressman West, liaison officer between White House and Capitol, was the radical in favor of the New Deal. Against it, as a conservative, came Senator Dickinson.

In less than seven years the man who had been looked upon in the East as a radical purveyor of farm nostrums is imported by that same conservative East to protect it.

(Continued on page 73)

OUR DEBATABLE MIDDLE WEST

SIX EDITORS IN THE ROLE OF REPORTER

Solidly Republican in 1928. Solidly Democratic in 1932. How do the people of North Central States reason about national issues, as affecting their own welfare, in this political year 1936?

DEBATABLE GROUND. That was the promise we held out, last month, when announcing this third article in the series. In December we had tapped public opinion in the six states of Republican New England. In January our scene had shifted to six states of the Democratic South.

Now we turn to a section of the country that easterners often think of as the Middle West, that Uncle Sam usually calls "North Central." We include six states: Indiana, Illinois, Michigan, Wisconsin, Minnesota, and Iowa. The first four lie north of the Ohio and east of the Mississippi, the East North Central States. The last two lie west of the Mississippi, part of the West North Central group.

Is this debatable ground? Let's look at the record: Every one of the six states went Republican in 1920, 1924 (except Wisconsin, which voted then for its own LaFollette), and 1928. Not one of them went Republican in 1912 or in 1932.

Solid for Hoover in 1928; solid for Roosevelt in 1932. Probably no section of the country lays better claim to the distinction of being doubtful this year.

The region is of major importance industrially; witness its dominance in automobiles and steel, and the fact that two Federal Reserve Banks, out of twelve for the whole country, are assigned to it. It is of major importance agriculturally. Iowa, for example, ranks second among all the forty-eight states in receipts from farm products. Illinois ranks fourth, Minnesota fifth, and Wisconsin seventh. Indeed, our six states are all found among the fifteen wealthiest farming states.

The present Administration's solicitude for American agriculture therefore has brought considerable cash benefit to this North Central

region. Combined receipts from the sale of farm products and from rental and benefit payments, for the six states, amounted to 1307 million dollars during the three-quarters of 1935 ended with September. In the same period of 1932 the receipts were only 819 million.

It was a gain of approximately 60 per cent, while the gain for the country at large was less than 50 per cent. Four hundred and eighty-eight million dollars more for the farmers of those states, as the result of last season's labors in the fields, than for harder work three seasons earlier; for 117 of the millions were a gift.

A map published by the Department of Agriculture, which lies before us, shows eight states where last season's farm values, including benefit payments, bettered those of 1934 by more than 20 per cent; and four of those eight banner states were in our North Central group.

INDIANA

By JAMES A. STUART

Managing Editor, Indianapolis Star

INDIANA has an almost perfect record for keeping in step with the nation politically. Only once in the state's history has its electoral vote been

cast for a candidate who did not win the presidency. This was in 1916, when Indiana voted for Hughes.

Approximately one-third of the Hoosier vote is politically independent and shifts with the tide of thought in the nation. This makes possible such violent turnovers as a 285,000 plurality for Hoover in 1928 and a 184,000 plurality for Roosevelt in 1932.

The off-year election of 1934 revealed a decided trend back to the Republican party. The Democratic nominee for United States Senator won by 50,000. One of the twelve congressional districts was captured by the G.O.P. But in that campaign the Democratic state administration of Governor Paul V. McNutt was made an issue by the Republicans. National affairs were largely forgotten in the debate over state issues—the McNutt tax laws and the reorganization of state government centralizing all administrative power in the Governor.

Since state issues were threshed out in 1934 the campaign this year will be a clear-cut test of the New Deal. Although Republicans are encouraged, and will not enter the campaign in a defeatist attitude, they admit the odds are against them at the present time.

No one discounts the political effect of the flood of money the New Deal is pouring into Indiana. All the alphabetical agencies have been put into high gear and are working with less friction than in many other states. Out of a population of slightly more than 3,000,000 there are now 80,000 persons employed on federal relief projects. By July 1 the New Deal will have spent \$167,000,000 in the state for relief and work projects. Every community is being touched by some permanent improvement—new roads, schools, ad-



ditions to state educational and benevolent institutions.

This state is in the corn belt, and the G.O.P. did not find the courage to attack AAA. Rural areas generally voted Republican in 1934, but 1935 was the most prosperous year Hoosier farmers have had for more than a decade. This was due not only to higher prices and to millions of dollars of AAA benefits, but also to favorable weather conditions. The AAA brought pulling power for the New Deal in rural sections. Higher food prices, however, have made an issue for Republicans in the cities.

In spite of numerous activities favorable to the New Deal, Indiana will be a battle ground. Both major political parties are always virile in this state. Their leaders know how to whip up partisan activity.

No political account of Indiana can ignore the growing importance of the Townsend old age pension movement. In about half of the congressional districts the Townsends are organized strongly. The movement is a threat to both old parties. It may send several nondescript Congressmen to Washington, who will be a load to the party they represent.

ILLINOIS

By R. R. McCORMICK
Publisher, Chicago Tribune

RATHER more than half of the population of Illinois is to be found in Chicago and the urban territory which immediately surrounds it. The other half is predominantly, though of course not exclusively, rural.

Fifteen months ago, Illinois probably gave Mr. Roosevelt very little worry, even though he was well aware that in national elections the state has seldom left the Republican ranks. He could have argued then that the AAA benefit checks would go a long way to convert normally Republican farmers into Democratic voters. The state is usually first or second as a corn-hog producer, and among the first six or eight states as a wheat producer. Rural Illinois would therefore share largely in the distribution of AAA checks and would vote accordingly.

On the assumption that farmer votes were for sale, the benefit checks would carry Illinois up to the outskirts of the metropolitan area. Within the metropolitan zone the relief grants would purchase the votes of the unemployed. But the fact that Chicago's industries and distributing agencies are to a considerable measure dependent upon farmer purchasers would go far to determine the attitude of the employed.

Fifteen months ago the outlook for the Democrats seemed bright; so

bright, indeed, that even astute observers overlooked a significant result of the mid-term election in 1934. Wayland Brooks, running for Congressman-at-Large on the Republican ticket, was defeated. But he came up to Chicago with a slight majority. He was defeated by Chicago voters. The Illinois farmer, even at the peak of Mr. Roosevelt's popularity, was out of sympathy with him.

Meanwhile, in Illinois, as in almost every other state, the tide has been running against the New Deal. The benefit checks have been easy to take, but there is a widespread and growing recognition—particularly among the more thoughtful farmers—that the plan is unsound and in the long run will do them more harm than good.

There has been no cry of anguish in Illinois over the Supreme Court's decision in the AAA suit and no spontaneous demand for the enactment of something closely resembling it to replace it.

To those not in touch with Illinois farm conditions, this calm acceptance of the decision may seem difficult to understand. In reality, the explanation is simple. Illinois farm land is among the richest in the world. Illinois farms as you drive past them reflect this fact.

Because the land is enormously fertile and because crop failures in Illinois are exceedingly rare, the owners of the land have felt justified in spending money freely in improving their properties. The great majority of Illinois farmers own much more than they owe, and are therefore as apprehensive of national bankruptcy as any manufacturer or merchant.

In addition, the men who derive their livings from the rich soil of Illinois know that they have no reason to fear competition provided the Government does not hamper them with acreage restrictions or give undue help to their competitors in less favored regions.

That is why the farmers of Illinois are predominantly conservative. They find themselves in natural alliance with all the men and women in the cities who have life insurance policies and bank accounts, and therefore resent the devaluation of the dollar. Owners of securities of all kinds by this time have come to appreciate the fact that the New Deal intends to confiscate or destroy their property.

Mr. Farley has not succeeded in capturing Illinois. To be sure, he has on his side all the lazy, all the worthless, all the larcenously inclined, all the muddle-heads, all who hope to profit from disorder including the gangsters, and all whose votes can be bought by the four-billion-dollar corruption fund. In the aggregate, these classes number in the thou-

sands, but they do not constitute a majority in Illinois, or anything like a majority.

Much, of course, depends on the character of the national and state tickets presented by the Republican party. If the party makes wise nominations, and if it avoids a schism in the ranks, Illinois will be a Republican state in November.

MICHIGAN

By MALCOLM W. B. BINGAY
Editor, Detroit Free Press

MICHIGAN seems definitely back in the Republican ranks as the campaign of 1936 opens. The state went overwhelmingly Democratic in 1932, the first time since the organization of the Republican party "under the oaks" at Jackson in 1854. But that Michigan is militantly progressive was revealed in 1912, when it was the banner state in the Union for Theodore Roosevelt.

Michigan considers the New Deal a phenomenon of the depression years.

By 1934 the people began showing weariness toward the innovations of the Brain Trusters, reelecting Arthur Vandenberg to the Senate and putting a Republican slate back into state power. The spring elections of 1935 showed the trend even stronger away from the Democratic party. All this in spite of the fact that in both campaigns the issue was "stand by Roosevelt".

Over and beyond the normal Republican majority in the state, two reasons for the changed sentiment stand out. First is the amazing recovery of the motor car industry. Second is the treatment accorded the two national banks of Detroit by the Roosevelt Administration.

Detroit is the motor car center of the nation, built up through the last thirty years in the bitterest competitive market that industry has ever known. Detroit became world famous as the motor hub through rugged individualism at its fullest flowering. It has been an "open shop" town in which the unions have never been able to gain a foothold. The industry from its beginnings has led the industrial world in paying the highest of possible wages for the shortest hours.

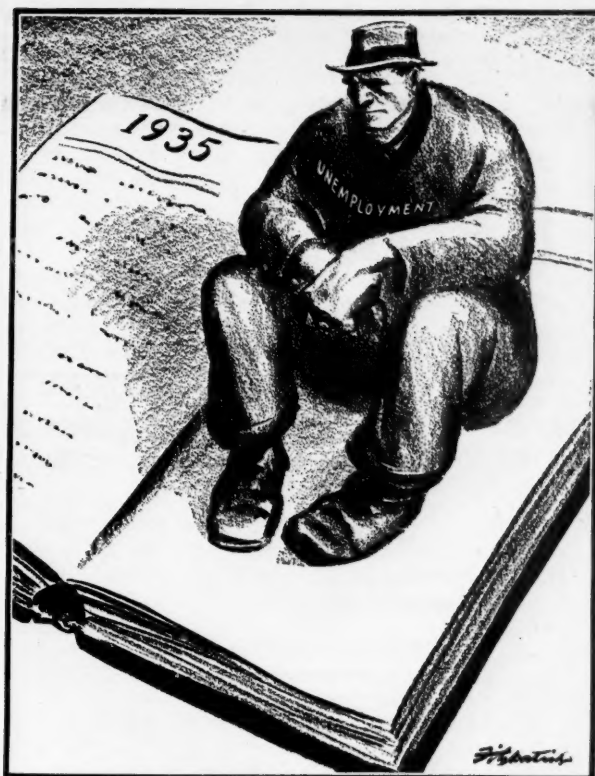
When the collapse came in 1929 the shock hit Detroit first, and the state went with the city. But the competitive motor car industry never ceased trying to break the business dam. The three great rivals—General Motors, Chrysler, and Ford—persisted in turning out new models each year and seeking to awaken a stagnant market. Then came NRA.

President Roosevelt had proclaimed it as the rock foundation of his New



SOCK

By Carlisle, in the Des Moines Register
President Roosevelt set the etiquette of the 1936 campaign in his mud-slinging address at the opening session of Congress.



DEBIT

By Fitzpatrick, in the St. Louis Post-Dispatch
The carry-over of unemployed men from 1935 remains the most pressing problem before the Administration. Relief helps.



TICKLISH

By Bishop, in the St. Louis Star-Times
Political agility of a superior brand needed by both major parties to satisfy appetite-whetted agriculture.



DRINK!

By Elderman, in the Washington (D.C.) Post
Would you be surprised to see Dr. Townsend make the donkey drink? A well-organized minority put over prohibition!



By Warren, in the Buffalo Evening News

HIT

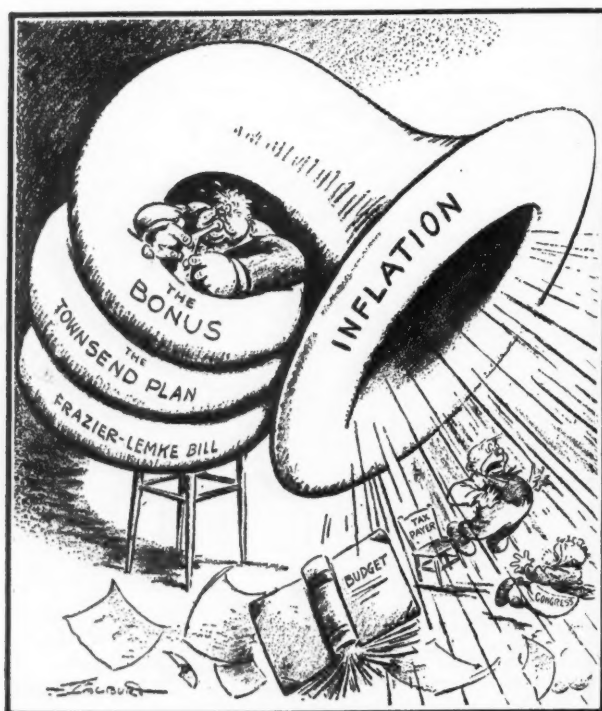
If New Deal policies are right, yet unconstitutional, one plank of the Democratic platform may well be a proposed amendment.



By Hungerford, in the Pittsburgh Post-Gazette

CHISELER

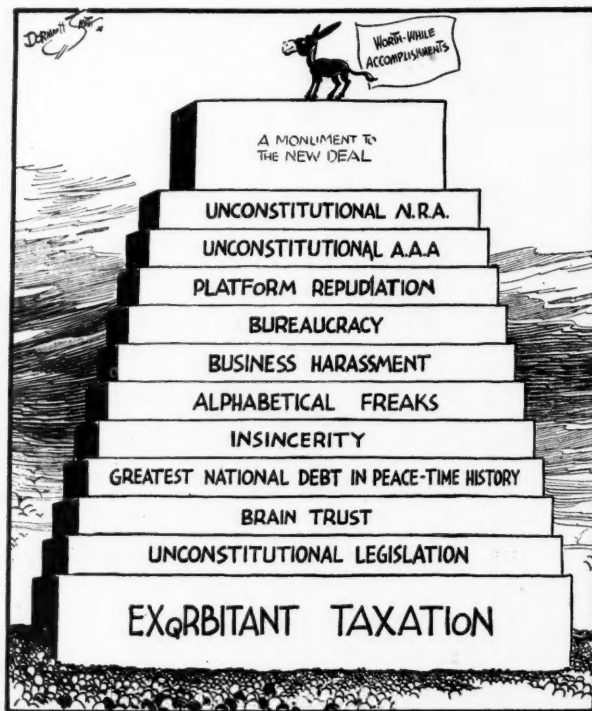
The mortality rate among New Deal brain children, while high, is due to ultra-legal tendencies, not hunger.



By Talburt, in the New York World-Telegram

WHOO-O-O!

We taxpayers go round to the jazz of minorities. Oh-o-o—when they press the middle valve down!



By Smith, in the Chicago Herald and Examiner

RECORD

All pedestal and little statue sums up Democratic accomplishments to date according to this Mid West cartoonist.

Deal. The motor car industry, led by Henry Ford, defied all efforts of General Johnson to "regiment" the industry. No codes could touch it because wages, hours, and working conditions were far beyond anything suggested in any code.

Madame Secretary Perkins made a statement that there were too many models, that the world should have been contented to continue riding in Model T Fords—that this would have standardized and preserved the industry. This gave the manufacturers and their workers the first laugh they had had since the depression. They called the lady's attention to the fact that Ford did not quit making Model T cars; the public quit buying them, because other companies put out new models.

Business remained fairly quiescent in Michigan until the Supreme Court declared the NRA unconstitutional, and from that time on the factories here began booming until at the end of 1935 production had reached an all-time peak. The workers have been educated to a realization that prosperity has come back to them despite the New Deal and not because of it.

In 1933 the two large national banks of Detroit were closed. The New Dealers, headed by Father Coughlin and William Randolph Hearst's *Detroit Times* (then ardent New Dealers), charged that they had been mismanaged and looted. Senator James Couzens joined them in these attacks, though being careful not to allege any moral turpitude.

In the two years that have passed time has vindicated the Detroit bankers. It has been shown that not one cent was stolen or used for personal gain by anybody. All small depositors have been paid 100 cents on the dollar and the larger depositors 80 cents by one bank and 70 cents by the other, and they are satisfied that they will eventually get all. It is now realized that the banks were solvent and never should have been closed.

Values that were written down to almost nothing by the federal examiners have come back to their full strength. With the little depositor paid in full and the larger depositors possessing complete understanding of what happened, there is bitter feeling in Michigan against the Administration because of political angles injected into the bank cases.

Half a hundred leading Detroit and Michigan financiers were indicted on technical charges in connection with the banks' closing. There have been no allegations of moral turpitude, and it has been claimed that the indictments were brought by the Administration to give some semblance of justice to the wild accusations—still

unsupported—made in the early days of the national collapse.

What the public cannot understand is that the indicted men were asked, by the same Administration which is prosecuting them, to accept positions of responsibility as officers and directors of the two newly organized national banks which have taken the place of the old.

One branch of the Roosevelt Administration, the Treasury, says that they are honorable, high-minded men worthy to be trusted with millions of the people's money and millions of the Government's money. One bank is half owned by the Government.

The other branch of the same Administration says that these men are guilty of law violations, are unworthy of public trust, and should be sent to the penitentiary. This branch is the political end of the Attorney General's office. The people sense an unholy political alliance.

Here is presented probably the strangest governmental anomaly in the history of the republic.

The Secretary of the Treasury asks one Detroit banker to come out of retirement and head one of the newly organized banks as president and vouches for his integrity by insisting upon his taking the office. But Attorney General Cummings and the Farley end of the Administration insist that he be prosecuted. Others in the same strange boat are executive officers and directors.

When the first case was tried the jury went out to lunch and came back with a verdict of not guilty. They frankly stated they could not figure out why the men were being prosecuted. Every newspaper in the state of Michigan—with the exception of the *Hearst Times*—applauded the verdict and demanded that the rest of the trials be dropped as farcical.

Theodore Roosevelt swept Michigan on the platform of a "Square Deal". The voters of Michigan have not been able to find that in "the New Deal".

The Democratic National Committeeman from Michigan is fired from his job as Collector of Internal Revenue, by President Roosevelt, on the ground that a committeeman should not hold political office. Yet the President remained silent when Michigan Democratic leaders asked him why Farley was allowed to remain as Postmaster General.

This row split the Democratic party wide open and the split is growing worse. Old line Democrats here blame the internal rows on Farley's efforts to organize the state along Tammany lines—all of which the Republicans have used to advantage.

The real political fight looming in Michigan will be an effort by the

now thoroughly entrenched Republicans to oust Senator Couzens as an independent Republican New Dealer. The violent tempered multi-millionaire is Farley's only hope in Michigan.

MINNESOTA

By F. E. MURPHY

Publisher, Minneapolis Tribune

DESPITE the record of accuracy that supports the various surveys now being taken, it is hard for an objective observer of public opinion in Minnesota to believe that Minnesota is opposed to the New Deal. Criticisms of the detailed operation of the New Deal are heard on every side, some passionately bitter, others fatalistically calm, but in either case cross-examination brings out perhaps a greater number of approvals than disapprovals.

This state of mind has its parallel in the ranks of organized labor, where often there is intense internal strife over details, methods, and policies of the moment, but never a question of the fundamental fact of unionism.

Minnesota is a dairy and livestock state, but not rural to the degree of other western states. More than 750,000 of its 2,500,000 inhabitants live in three cities. Minneapolis is a flour mill city, but by far the greater quantity of the wheat ground there is grown in the Dakotas and Montana.

Agriculturally and politically the state may be roughly divided into two parts. The southern portion is normally prosperous in its dairy activities, and is conservative. The northern part, with its marginal cut-over forest lands, is inclined to be politically radical. This agrarian radicalism is effectively strengthened by the labor population of the three large cities, Minneapolis, St. Paul and Duluth. The result is the Farmer-Labor party, which has been in political power during the years of depression.

Dissatisfaction, rather than any identity of economic interest, is the tie that binds these two political elements. The agrarians, both prosperous and less prosperous, had been in favor of the AAA, perhaps with reservations or even forebodings. Labor, whose fundamental theory excludes the idea of satisfaction, applauds all congressional and executive policies which cause business to protest.

That the traditional conservatism of the farmer has to a large extent disappeared, is due to the fact that the farmer in the Northwest has, with the exception of a few years, been in a depression since 1920. He feels that he has been sacrificed in favor of the eastern industrialist in the matter of tariffs and other legislation. He has no boom years and is humanly if not rationally resentful.

Today he has money and is buying the things of which he has been deprived for fifteen years by drouths, loss of foreign markets, over-production, under-consumption, low prices, and other causes. He, no more than anyone, can say how long this can last. He, as well as anyone, can appreciate the inconsistency of trying to create wealth by destroying wealth. But his mortgage has been reduced, prices are higher, and there have been AAA checks to provide him with ready cash, which is a pleasing novelty to many.

The farmer accepted the AAA checks as his just due. He believes that the industrialists have been getting similar checks from the Government for many years, and that these checks were eventually drawn on him. Of course he objects to his taxes, especially that portion which goes into urban relief. He lifts his voice in protest, and in the generalization of his grievances he is likely to make frequent and emphatic mention of the New Deal. With taxes in mind he may even mark a survey ballot against the New Deal. But his opposition does not include AAA checks.

Good crops and good prices traditionally make for conservatism. Last season's drouth, which did not affect Minnesota, bettered the condition of the farmer even without Government assistance; and a continuation of that betterment undoubtedly will make for a more objective appraisal of the New Deal. Yet any assumption that Minnesota is aggressively opposed to the New Deal at the present time must be suspected of wishful thinking.

Business in Minnesota is opposed to the New Deal as wholeheartedly as in New England. But the farmer and the worker have the votes.

WISCONSIN

By J. D. FERGUSON
Of the Milwaukee Journal

IN WISCONSIN, people are not talking about an election nine months away. They are talking about the best holiday season's business since 1928. Such political chatter as is heard comes from the press and from office-holders who are concerned over retaining their jobs.

Wisconsin voted for President Roosevelt in 1932. Those who claim to have their fingers on the public pulse say that today the state would vote the same way. The only vigorous opposition to Mr. Roosevelt seems centered in financial and "big business" commercial circles. Small business men, feeling "chain" competition again as activity is renewed, are inclined to blame the Supreme Court rather than the President for

PRESIDENTIAL VOTE OF NORTH CENTRAL STATES

	'00	'04	'08	'12	'16	'20	'24	'28	'32
Indiana	R	R	R	D	R	R	R	R	D
Illinois	R	R	R	D	R	R	R	R	D
Michigan	R	R	R	Pro.	R	R	R	R	D
Wisconsin	R	R	R	D	R	R	LaF.	R	D
Minnesota	R	R	R	Pro.	R	R	R	R	D
Iowa	R	R	R	D	R	R	R	R	D

the breakdown of the advertised intentions of NRA.

Wisconsin dairymen have been getting the best prices they have had in five years. Wisconsin labor, on the whole, looks upon President Roosevelt as a friend. The alarm about "preserving the Constitution" and warnings against dictatorship do not seem to worry the average citizen.

The state has three major political parties—Republicans, Democrats, and the party of the LaFollette brothers, the Progressives. While opposing each other in the campaign for state offices, Progressives are expected to join the Democrats in supporting President Roosevelt for reelection. The Progressives will not have their own national ticket, and they have shared generously in patronage.

Nomination at Cleveland of a liberal satisfactory to the Progressives might alter the alignment. But that, too, is in the indefinite future.

IOWA

By W. W. WAYMACK
Of the Des Moines Register

BASICALLY, Iowa is conservative. Politically and economically, the things it can be stirred to fight for are conservative. While industries have developed, the state is primarily agricultural. Roughly half the farms are operated by owners, half by tenants. The ideal of land ownership is still held high as the way to independence.

When, a couple of years ago, a few milk wagons were being upset and farm foreclosures halted, it was the precise opposite of a "radical revolution". It was an angry fringe of capitalist-minded farmers resorting to direct action in order to maintain their capitalist status. They wanted to be part of a profit-making system. They figuratively grabbed pitchforks to prevent being dispossessed of land.

It might be amusing but it is also significant that Milo Reno, the Iowan who became overnight a portentous figure of supposed "radicalism" then, recently spent his time roasting the AAA as an affront to the "liberties"

and making occasional fiery speeches in defense of the Constitution. Republicans have been honeying up to him and he, it would appear, to them.

There is liberalism in some Iowa quarters. There is practically no philosophic radicalism.

What is the attitude of this conservative Iowa toward national political programs? It is predominantly for what AAA stood for, straw polls or no straw polls. The 187,000 who voted yes on the corn-hog referendum cannot be laughed off. If an election were held today, Roosevelt would carry the state. It is doubtful whether that will change by November.

The prevailing Iowa view is that some way must be found to enable the Government to do for agriculture what AAA had sought to do.

Agricultural leaders who really have a following believe that agriculture has been whip-sawed for decades, denied a fair share of the national income by governmental policies favoring other groups. They think that with government help, a la Triple-A, a reasonable prosperity is possible. In that sense it can be said that they have "tasted blood". They cannot be put off longer with a general hiking of tariffs that leaves them worse off relatively than they were before.

Republican leaders here in Iowa seem much concerned about developing a farm plank that will ring true and yet that the East will accept. It is generally believed that this region holds the balance of power for 1936. It is generally believed that the national Republican ticket must fight uphill in Iowa.

Among presidential candidates, Colonel Knox was about the first to develop activity in Iowa, and he has strength. Governor Landon is regarded with curiosity and friendliness. The dark-horse candidacy of Senator Dickinson is part of the picture. This state was Herbert Hoover's birthplace, and he is not without potential strength among both voters and politicians.

(Continued on page 77)

ASK FOR WHAT YOU WANT

BY RALPH ROCKAFELLOW

If you want something, it's likely that others want it, too. Making vocal your demands is the surest way to get action from American manufacturers. Desire, more than competition, enlivens trade.

HAVE YOU ever considered the importance of your rôle as an ultimate consumer? The fate of all inventions, all improvements, all sales campaigns, waits on your decisions, even on your unspoken whims. Not just on your lone opinion, you may say; but why not, whenever you help to tip the collective consumer bias in favor of one thing or another?

Disregard for a moment your private business or profession. Let's examine your standing as an ultimate consumer. With a straight face, let me say that we ought to take seriously this business of being an ultimate consumer. It carries obligations, civic duties as it were. As consumers we might as well face the fact that we are a weak lot. We are apathetic. We would rather have others tell us what to like than compile a set of standards and actually choose for ourselves.

True, our religious leaders and politicians have done their best to thus condition our so-called minds. But when we wonder at the state of public morals, business, and the nation, a still, small voice usually tells us we have only ourselves to blame.

So it is with the prices of food, clothing, and the roof over our head. So it is with the quality of the movies, of tea-room menus, and medical treatment in the average hospital. We ought to do a great deal more commending and deploring, directly and to Congressmen, to the newspapers, to our political organizations, and to whomever will listen.

Temper Control

Bad temper is too often the sole inciting motive in the matter. This serves its purpose but not as well as more consistent temperate action might. We ought, daily, as inconveniences arise, to translate our feel-

ings into constructive suggestions directed where they will be most quickly heeded. Our obligation, as it turns out (like all civic obligations), is to ourselves. For purely selfish personal reasons we ought to complain whenever things don't suit us. Thus can we smooth the frequently uneven tenor of our ways. Thus do we find in stores the articles we want—at prices we are willing to pay.

Now, coming back to your own business, aren't you anxious to learn the public's opinion of some product, some style, or service? The moral certainly is obvious enough.

For instance, florists' windows aggravate me exceedingly, for I know so few of the flowers displayed. Would I object if a small card beside each kind gave its common name and also its botanical sobriquet? I can tell a rose when I see one, but I yearn for such subtle nuances as knowing whether it was named for Alice Longworth or Grace Coolidge. I have heard of marigolds and primroses by

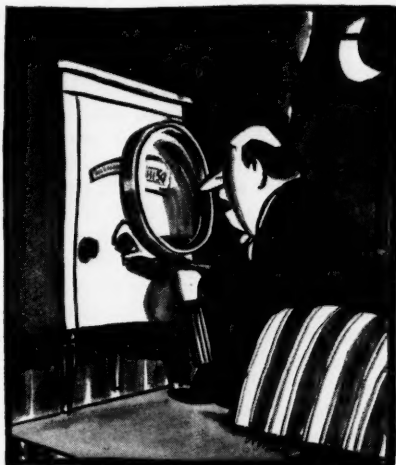
the river's brim, but I can't identify them; consequently I'll never ask for them. Few people know flowers. Those who do, raise their own. I'll wager my hat that sales would increase, both in volume and variety, if displays were labeled. Is the Society of American Florists and Ornamental Horticulturists listening?

Listeners' Eyestrain

Will anyone tell me whether the makers of radio receiving sets ever sit beside their products and twirl the knobs? Most sets have small dials and small figures on the dials. My eyesight is good compared with that of most of my friends, but all of us have heavy penciled marks on our favorite stations to the utter neglect of all the others. Is there any good reason why dial figures cannot be one-fourth inch high or even larger?

I'll buy another set, a small portable for my bedside, the moment some maker designs one along the simple lines of my mantel Telechron. Beside the large dial (or within it) I would ask two smaller dials, one to be the face of an ordinary electric clock; the other, also with clock face and one hand, to be a simple device for "setting" one's radio, like an alarm clock, to turn the set on at a certain hour. Of course, one would also have to set his radio dial on the proper station for the desired program. But no longer would he miss the first two rounds of a fight broadcast or the first quarter of a Saturday gridiron classic.

Radio engineers have long promised us such intelligent receivers that we could, while consulting the program, plug in an entire day's entertainment: the set thereafter automatically switching from station to station, tuning in with superhuman



Stephen Ronay

"Gosh, I've lost WJZ again!!"

sensitiveness, and controlling the volume to the requirements of a queen's ear. I hope they make good their promise. Until then I am a potential buyer who asks less perfection. I will not insist on, though I would love to have, several remote controls for a soft pedal, to use on raucous announcers and long-drawn patronizing ballyhoo.

It's the mass urge, what *you* want and I want, that brings about the sweeping changes constantly observable in every walk of life. Recognition of this makes complaining more of a pleasure than a duty. I go on complaining at great length. I fancy I do it constructively, which gives me that wonderful boy-scout-good-deed exaltation.

"I. Q." Teasers

I grow indignant whenever I see people struggling to fill out application blanks, legal papers, etc. I wonder why properly filled-in forms under glass aren't before them for their guidance. Most of us think we know how to write a check, yet bankers will tell you that checks are raised most often because certain simple precautions aren't observed, largely a matter of not leaving places for the check-raiser to do his work. Banks should set "good examples" under the glass tops of the writing desks they usually provide; "good examples" not only of check-writing, but check endorsing, filling-in of deposit and withdrawal slips, notes, etc.

When one applies for a passport, for an automobile operator's permit, for a job, isn't he entitled to know what is expected of him? Most forms are couched in ambiguous language. Married or single? asks the latest questionnaire that lies before us, which we must fill out to get "social security" in our old age. But how should 2,000,000 widowers and 4,800,000 widows—not to mention 1,000,000 divorced persons—answer that question? A great many of us were never overly bright at conundrums, cross words, and jigsaw puzzles.

One always suspects taxi drivers of taking the most roundabout routes so as to pile up larger fares. A city map of good size, under cellophane, at the driver's back, would imply honesty in that he was willing to have you check up on him. Despite the fact that few persons are able to read maps, they are distinctly restful to strangers and they inspire calmness and a sense of security.

Thoughts of city traffic remind me to ask a united plea to inventors for a small apparatus to be attached on the exhaust manifold of automobiles, particularly large buses, which will form a new and harmless chemical

combination out of carbon monoxide gas. Unless something is provided, urban dwellers will shortly be driven to the use of gas masks.

But turning to the pleasures of motoring why shouldn't we consumers demand small electric refrigerators in our cars, possibly fitted into the backs of the driver's seat, large enough to freeze ice cubes while the engine is running and keep food cool for a six-person picnic. We ought really to go a step farther and demand complete air-conditioning, which would mean both summer cooling and winter heating. Mass demand makes such luxuries reasonable in price. Are you other consumers with me?

The floor of cars is now so low that running boards are unnecessary. They might well be abandoned and car interiors widened. Side bumpers, along the fenders over wheels and down along the base of the doors seem a logical replacement; logical, in the light of brushes with road hogs. The difficulty of equipping an automobile with side bumpers confirms one's suspicion that the car of the future must inevitably adopt the so-called teardrop design, with its two fixed front wheels and steering by means of a single rear wheel. Then one could indeed have completely encircling bumpers to fend off irresponsible drivers. Incidentally, such a car can be parked in a space its own length. This business of improving everything soon becomes an entertaining game. You find yourself involved in lengthy conversations with perfect strangers who have not the slightest idea why they do things in certain ways. One man's commonplaces are another man's perplexities, and most times they need not be so at all.

"Big Money" Makers

Then you find the chap who wouldn't give away an idea unless he was paid "big money" for it. Now the bald truth of the matter is that the average A-1 brain flash isn't worth twenty-five grand, or one grand, or even fifty cents, to the man who proudly thinks of it as his precious own brainchild. Progress in every line of endeavor would have halted centuries ago had it depended on complete mature ideas popping from individual craniums like Minerva from the cracked pate of Jupiter.

A clever idea, full-fledged at birth, clicks every so often, it is true, but for every quick cash turnover in ideas there are countless instances of painstaking mass-brain collaboration. It's teamwork that counts, and it is in this less spectacular picture that you, dear ultimate consumer, play the im-

portant role. You will never receive large sums in Mr. Morgenthau's prettily-tinted greenbacks for your valued coöperation, but you will give it none the less—and you will be properly rewarded. The reward is a distinct boost in that intangible known as your standard of living.

Why do wives so often accompany husbands on apparel purchasing expeditions? Simply because men have a deplorably low opinion of clothing-store ethics, and they feel helpless without the traditionally superior flair of women for style, materials, and bargains. Most men hate to go shopping. It uncovers a feeling of inferiority. On this may well be blamed the distinct male trend toward abandoning hats, pajamas, garters, underwear, vests, collars, cravats, and jewelry.

Regain Lost Confidence

Since reliable clothiers have all to gain, why not meet the male better than half way by honestly labeling everything? A clothier should be willing to stamp his goods with the percentages of Scotch wool, American wool, shoddy, cotton, linen, silk, etc.; also whether pre-shrunk and guaranteed fast color, washable, or *caveat emptor*. And he ought also to offer on labels such educational information as herringbone weave, or kind of serge, or unfinished worsted, as well as whatever advantages of wear, style, and washableness, each possesses. Salesmen are ever too willing to sacrifice good-will for commissions and to tell the buyer whatever the buyer wants to believe.

When will some depilatory maker expunge the last vestige of rotten eggs from his product and so reduce that great drudgery of the male, shaving, to a mere ladylike business of coldcreaming his jowls?

Women, as a rule, lie quietly when they sleep; but men thresh about, constantly losing their covers overboard. Has no designer sufficient compassion to revive the bed whose boxlike sides, raised slightly above the level of the mattress, might prevent loss of bedclothes and add years of comfort to masculine lives? Grand Rapids newspapers, please copy!

Educating the rank and file of ultimate consumers in the use of something for which a few of us had made enough noise to sound like a concerted demand, is often a tough job for obliging manufacturers. Some prepare films showing how to use the new product, thereby presuming to whet an appetite for it. How and where can such films best be exhibited? Suppose department stores, at the back of their main floor, built a colorful replica of a theater en-

trance, leading by a special elevator or an escalator to a restful auditorium. Suppose they invited their patrons to rest, relax, and review comedies, travel films, style shows, and educational reels, these latter being demonstrations of products for sale elsewhere in the store. Wouldn't such shows be crowded? Just to make the thing exclusive, season tickets ought to be issued to old customers and charge accounts, whereas transients could be asked to register, thereby building up a store's mailing list. Well, think it over.

Water-conditioning is running a close second to air-conditioning in capturing the householder's fancy. Water-conditioning is nothing new in industrial plants, but a portable unit for the kitchen faucet has just been placed on the market. Another water-conditioner, not a mechanical device but a substance to be put in the water, is on the grocer's shelves. We, as a consumer, ask some laboratory genius for a combination of these ideas. Why not an attachment for the shower to provide a needle spray of softened soapy water, the amount of soapiness to be regulated as one regulates the temperature of the water, by the turn of the handle. We have seen somewhat unsatisfactory gadgets for the dishpan and laundry tub, and it occurs to us that makers of powdered soap might increase their market if they nursed the sale of really efficient dispensing apparatus.

Silence is Unsocial

Don't keep secret the things that irk you. If in doubt whom to address write them to the REVIEW OF REVIEWS and they will be passed on to research and marketing organizations whose ears are patiently alert for consumer outcries. Five years ago I wondered why railway stations didn't install clocks that tell time in the language of timetables. Such clocks are now for sale, though few railway stations, if any, have as yet adopted them.

For as many years I have wondered why electric refrigeration has not been applied to the refrigerator trains which transport garden truck and fruits from Florida and California to northern and eastern markets. Certainly aluminum double-shell cars could carry much larger loads, since the present refrigerator cars waste much space in ice compartments. Power at negligible cost could be generated while a train was in motion, and sidetracked cars could be plugged in to the nearest electric light socket. To an innocent bystander it appears odd that a

(Continued on page 72)

SO THEY SAY

HUGH JOHNSON:
turns debunker

"It is necessary to say that the New Deal is not pointed to as the papa of any Blessed Event."

VICE-PRESIDENT
GARNER:
*queried on the
Townsend Plan*

"What's that?"

SECRETARY ICKES:
goes Frenchy

"There are ladies in history that I would much less prefer to be called than Madame Pompadour."

MARYLAND FARMER:
loses cows and wife

"I'd like to get my cows back. You might also look for my wife. If you don't have time for both, go after the cattle."

G. K. CHESTERTON:
ever paradoxical

"Modern vulgarity is always an exhibition of refinement—a nasty exhibition of nasty refinement."

EDWARD F. HUTTON:
a capitalist explains

"Gang-up is a phrase we used in boyhood to mean get-together, and has no vicious connotation."

LAO-TSE:
*Chinese philosopher,
550 B.C.*

"The government which seems most unwise often brings the greatest good to the people; that which is meddling, touching everything, will work but ill and bring disappointment."

B. C. FORBES:
noted financial writer

"Every time you draw a breath, the government at Washington spends \$712."

RADIO ANNOUNCE-
MENT:
the world is flat!

"Take the Suez Canal. If the world were round, the center of the canal would be 166 feet higher than either end—and all the water would run out."

GOVERNOR TALMADGE:
Georgia loudspeaker

"The only thing wrong with the American people is that they are improvident. If they are making \$500 a week, they spend \$520."

VICTOR EMANUEL:
as reported

"If we won in Africa, I should be Emperor of Ethiopia. If we lost, I should be King of Italy."

BRITISH LECTURER:
on tour among us

"In America it is snooty to be Anglo-Saxon. In England it is quite plebeian."

RUDD KARR:
proves his neutrality

"Since I am neither a Protestant, Catholic, or Jew, nor a freemason, trade-unionist, or boy-scout, I have nothing personal against Mr. Hitler."

YARDSTICKS AND THE CONSUMER

BY CHARLES H. FRAZIER, JR.

The crux of the power issue is the Administration's plan for "yardstick" power plants, governmentally operated. But the plan's real value depends upon its advantages to the community as a whole.

FOR MANY YEARS a stout, florid man, with a top hat and a massive gold watch chain, has been a familiar figure in the daily press. His pockets bulge with money, and it is quite clear that he has squeezed it from the poor, down-trodden consumer. He has stood for the Trusts, or Wall Street, frequently changing his identity to characterize whatever particular bogeyman the press was viewing with alarm. Just now he is a utility magnate.

For Power, in the last three years, has been promoted to the front page. Weaknesses within the industry, which boom times had concealed, have been thrown into sharp relief against the background of the depression; and for the first time utility reform has been made a major political issue by a national administration. In print and on the air, the consumer has been warned of the iniquity of the utility leaders, until it has been made to appear that the industry was manned largely by thieves and blackguards. Thus, while even its authors would agree that this tale was part fable, the effect has been to brand as "anti-social" the entire electric power industry.

The power companies have not been silent under this shower of criticism; but they have allowed themselves to be maneuvered into the position of defending utility investors against the consumers, and have neglected to fight it out with their critics along "social" lines, or on the basis of the good of the nation as a whole. As a result, arguments have largely been inconclusive, with the anti-utility group, posing as the consumer's friend, using one line of argument, and the power interests, in the guise of the investors' (widows' and orphans') champion, stating their case in entirely different terms.

The crux of this power issue is the

Administration's plan for yardstick power plants—great government projects in different parts of the country, intended to furnish a nation-wide demonstration of "fair" electric rates—of which the Tennessee Valley Authority is the most typical and best known example.

The impression has been created that this plan is of the utmost importance to the consumer, and that all who oppose it do so against the public interest. Nevertheless, until the pros and cons of the case have both been stated in the same language, the public will remain in the dark as to the plan's real value.

Underlying Assumptions

What is needed, then, is an evaluation of the yardstick case in the light

of the standard chosen by its advocates—that is, the interest of the community as a whole.

This power program has its basis in a series of assumptions which may be summarized as follows:

(a) Competition, the force which usually governs commodity prices, is not effective in the field of electric rates.

(b) Present regulatory methods are not adequate.

(c) Government competition, or the threat of it, is the only way of keeping the rates down.

(d) The benefits to be received by householders more than overbalance the losses to investors which are inherent in such competition.

There are a host of attendant minor assumptions, but the validity of the case for yardsticks depends on these



MONOPOLY

Electricity for lighting has no rival. Yet it must compete with other comforts for the consumer's dollar.

major premises. If they are not valid the program is without justification and should be abandoned.

In each of the above tenets there exists an element of plausibility, to strengthen which stray statistics can be quoted; but satisfactory factual proof is missing. It is necessary, therefore, to make a careful appraisal of the soundness of the basic assumptions, avoiding the exaggeration and reiteration which are the usual props of argument.

Competition as a Factor

The word "monopoly" has acquired a sinister meaning with us. We immediately think of some rich industrialist, gouging his customers because they have to buy from him if they buy at all. When this term is flung at the utilities—as now it frequently is—the intention is to brand them as enemies of the public. Nevertheless, mere name-calling is not much help in getting at the facts. The question must still be answered: In what sense are electric companies monopolies, and how does this affect the public?

First of all, it is perfectly true that in most cities the electric companies have no electric competitors. Annually, some two billion dollars is paid them for electric service, no insignificant part in the national economy. Certainly if there were a monopolistic power, in the hands of a few utility magnates, to affect rates at will, it would indeed be a serious situation, warranting the strictest control on the part of the Government.

However, the facts are otherwise: there is no effective price monopoly,

in that strong, competitive influences keep the price of electricity equal to the value of the service provided.

The nation's bill for electricity is made up of these major parts:

Retail Service—Residence and Store Lighting and Incidental Uses...	40%
Retail Service—Cooking, Heating, Refrigeration and Air-Conditioning	25%
Wholesale Service — Large-scale Sales for Power, Light and Other Industrial Purposes.....	35%
Total	100%

Competition is generally recognized as the determining factor in rates for wholesale service. Those that cry "monopoly" forget that this is equally true of an important part of the retail service. Nevertheless, the fact is that electricity is only one of a number of equally satisfactory means of cooking, heating, or refrigeration. If electricity is used for these services—and it is—then the rates are determined by competition. As a result, direct competition is effective in no less than 60 per cent of the nation's power bill.

As for the remaining class of use, comprising lighting and incidental uses, utility men are finding out what economists long have known: that even where there is no direct competition from substitutes, there are many other articles in the consumers' budget with which electricity is in competition, and that this type of competition likewise tends to keep prices reasonable. Thus, if a customer thinks his electric bill is above the value of the service, he curtails his use of electricity, and spends the

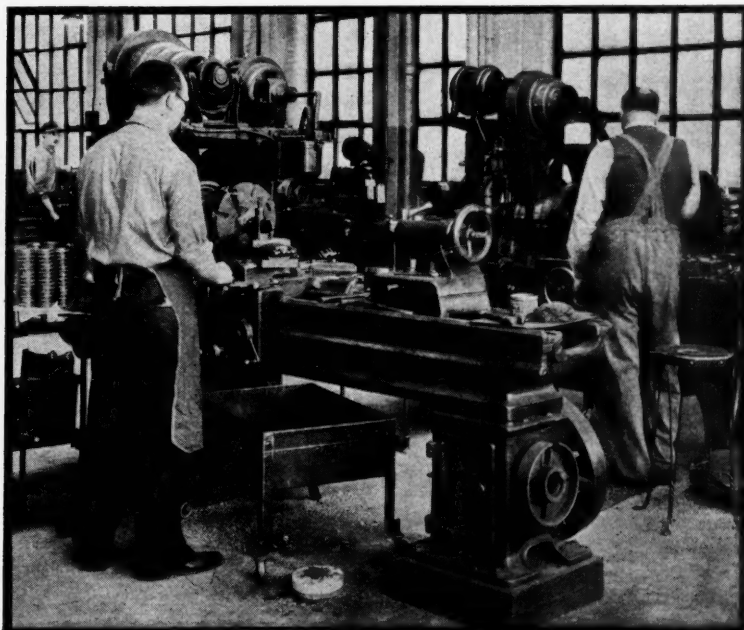
money thus saved in some other way.

The fact that each year finds more and more electricity used for these purposes indicates that it is competing successfully with the other increasingly attractive claims on the householder's dollar. Moreover, as use has increased, domestic rates have declined steadily (frequently against the trend for other elements in the cost of living); and this decline shows no sign of coming to an end. There is certainly no evidence here of monopolistic price-fixing.

Critics of the industry do not mention this progress, and point to the variation existing between the domestic rates of the various parts of United States and Canada, as evidence that rates are often set, purely arbitrarily, at exorbitantly high levels. "Look at Canada" is supposed to be the clinching argument in discussions of this sort. Yet, in fact, the look at Canada will lead to an entirely different conclusion—that rates depend more on economic factors in the marketing of electricity than on politics.

"Look at Canada"

The most striking difference between conditions here and in Canada is in the extent to which electricity is used in the average household. In this connection, it must be remembered that only 300 to 400 kilowatt-hours a year are needed for lighting and small appliances, such as the radio, iron, vacuum cleaner, and washing machine. When this is contrasted with some 6000 kilowatt-hours for range, refrigerator, and water-heater, we see how closely average consumption will follow the



COMPETITION

Electric cooking or refrigeration must compete in cost with other methods, equally satisfactory. With factory power the struggle for business is fiercely competitive.

THE YARDSTICK THREAT

I THEREFORE lay down the following principle: That where a community—a city or county or a district—is not satisfied with the service rendered or the rates charged by the private utility, it has the undeniable right as one of its functions of government, one of its functions of home rule, to set up, after a fair referendum has been taken, its own governmentally owned and operated service.

That right has been recognized in most of the states of the Union. Its general recognition by every state will hasten the day of better service and low rates. It is perfectly clear to me and to every thinking citizen that no community which is sure that it is now being served well, and at reasonable rates by a private utility company will seek to build or operate its own plant.

But on the other hand the very fact that a community can, by vote of the electorate, create a yardstick of its own, will in most cases guarantee good service and low rates to its population. I might call the right of the people to own and operate their own utility a "birch rod in the cupboard" to be taken out and used only when the child gets beyond the point where a mere scolding does any good.

FRANKLIN D. ROOSEVELT

Portland, Oregon, on September 21, 1932.

extent of use of these major appliances.

This in turn depends on the price and availability of competitive fuels; for no matter how cheaply electricity is priced, it can be undersold where other products, such as gas, coal, oil and ice, are relatively cheap. Obviously, the citizens of average means is not going to pay three dollars for cooking with electricity, if he can do it as conveniently at half the cost. Nor is he going to pay three to six dollars for electric water-heating, if, with the same or possibly a little more effort on his part, he can do it for two dollars or less.

Consequently, where natural gas exists, or cheap manufactured gas, and where anthracite is inexpensive, you may expect to find a relatively low use of electricity in the home. Where, on the other hand, those fuels are expensive, and where there is an abundance of easily-harnessed water-power, a larger use of electricity would be the case.

When this analysis is applied to

Canada, the main reason for the difference in use becomes clear. There exists in that country no resource comparable with the natural gas and oil fields of Texas, Oklahoma, West Virginia, etc., nor with the anthracite deposits in Pennsylvania and the bituminous coal fields of the Appalachian Mountains. Electricity in Canada can therefore compete on more nearly even terms with other fuels, and the average use of electricity should consequently be higher.

Examination of the figures shows this to be the case: The average residential and farm use in Canada is twice as high as the average for the whole of the United States; but in the Pacific Northwest, where conditions are similar to those obtaining in Canada, the average (for private companies alone) exceeds the Canadian figure.

What has all this to do with Canadian rates? Simply this: The price at which it is possible to sell electricity depends largely on this factor of aver-

age use. If a customer is using, let us say, 500 kilowatt-hours a year, the cost of serving him might be some thirty dollars; but if he doubled his use, it would not cost twice as much to serve him, but only five to ten dollars more. Therefore, it is clear that the road to lower prices is higher average use, and further that materially higher average use is found only when alternative fuels are relatively expensive.

It is simply a waste of time to envy Canadian home-owners their domestic service costs. The great majority of them still depend on gas and coal. So, for the average customer, what is saved on his electric bill is more than made up for by increased cost of other fuels—not to mention his increased tax burden, if he is served by a municipal utility.

Thus the look at Canada merely shows that economic factors, and particularly the competitive fuel situation, dominate in the setting of electric rates. Far from proving the existence of monopoly in the United States, it is fresh evidence that arbitrary rate-making is out of the question for power companies, even as it is for any other competitive business. It may safely be said that even if regulation ended tomorrow, rates would continue to decrease, as the market for electricity expands.

Break-down of Regulation

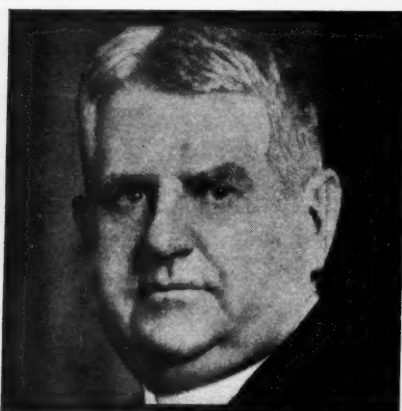
Linked with the criticism of rates is the charge that state regulation has failed. The usual method is to cite the unquestionably sharp practices of some of the promoters who batten on the industry in the twenties, as proof that present-day regulatory methods are inadequate.

Such reasoning betrays a complete lack of faith in progress under a democracy, in assuming that we never grow in our capacity for self-government. In point of fact, however, regulatory technique of 1935 is far in advance of pre-depression practice.

Blank & Stoller



Philip H. Gadsden, of the Committee of Public Utility Executives.



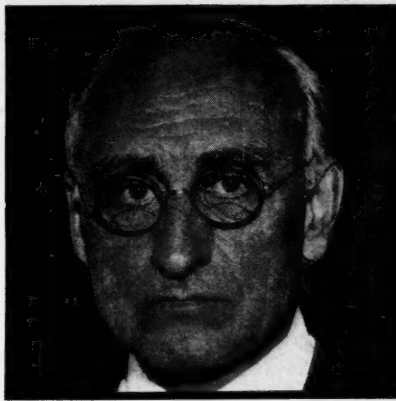
Thomas N. McCarter, President of the Edison Electric Institute.



Wendell L. Willkie, President of the Commonwealth & Southern Corp.



David E. Lilienthal, Director of the Tennessee Valley Authority.



Arthur E. Morgan, Chairman of the Tennessee Valley Authority.



Franklin D. Roosevelt, the active force behind the power program.

Since 1930, half of the states, representing far more than half of the people, have plugged up the regulatory loopholes found to exist, as any examination of recent state laws will show. Virtually every phase of utility activity, and particularly the relations between operating and holding companies, now comes under these laws.

For instance, at the present time almost all states may question the amount of service charges to operating companies, and charges for wholesale electricity, and may go beyond state lines to determine the fair level of such charges. Furthermore, within the last few years most of the populous states have required advance approval, by state commissions, of transactions between operating and holding companies having to do with service charges, loans, or transfers of property or stock.

A fair statement of the situation might be that regulation in the twenties was found inadequate in several important respects, allowing the type of abuse of which we have heard so much; but that, as these inadequacies became evident, legislatures so amended laws as to correct their weaknesses. In any event, whatever may have been the basis for the modern regulatory codes, the consumer is now amply protected.

Government Yardsticks

In all probability, the sponsors of the Yardstick plan would privately admit much of the above, but would say that their real quarrel was with the rate of progress. They would emphasize the relative slowness of the rate lowering process in some communities as compared with others; and to the lag between improvement in regulatory practice and the inventiveness of utility lawyers. This counsel of perfection advocates equal progress for all, regardless of cost, and for laggards, government yardsticks, or birch-rods, to spur them on.

The doctrine that the Government should show the way in power development is not a new one. Thirty years ago the founders of the huge public power system in the Province of Ontario, Canada, used the same language. They were merely going to set up a standard of service which citizens could use in judging the propriety of the rates charged them. These men would have agreed with President Roosevelt, when he said in September, 1932, at Portland, Oregon:

"I do not hold with those who advocate government ownership or government operation of all utilities. I state to you categorically that as a broad general rule the development of utilities should remain, with certain exceptions, a function for private initiative and private capital."

Yet the history of the Ontario Hydro-Electric Power Commission—popularly known as The Hydro—is one of continuous encroachment upon the field of private enterprise. Start-

ing in 1910 with a contract to buy part of the power generated by one private plant at Niagara Falls, to be transmitted and resold to thirteen nearby towns, it has taken over practically every electric company in Ontario.

The Hydro now operates its own great power plants and transmission lines, and even goes outside of the province to buy power; it sells to municipal distribution systems in every major city in the province, and serves directly—under subsidy—all the rural and farm customers and many large manufacturing plants. Here is a Power Trust indeed!

Could it be that the yardstick advocates are deliberately misleading the nation, and that their true motive is complete government ownership? Probably not, although some on the left wing undoubtedly view the Yardsticks as means to this end. The idea of a standard-setting government agency is at first glance an attractive one, but its very plausibility has pre-

A 27-INCH YARDSTICK

THE RATES put into effect by the TVA in the yardstick area do not fairly reflect the cost of such energy to the federal government nor to a private utility, and, therefore, constitute an unfair comparison with the rates of private utilities and are a federal subsidy to every user of the electric energy in such area.

The federal government with the taxpayers' money has given and offered to give 30 per cent of the cost of the labor and materials for the building of transmission and distribution systems, or 25 per cent of the total cost, to municipalities desiring to transmit and distribute electric energy. Such municipalities located in the yardstick area may purchase their requirements of power from the TVA generating plants which in turn are heavily subsidized by the federal government. The Alabama Power Company has \$65,000,000 invested in its transmission and distribution systems; 25 per cent of which is \$16,250,000. Under the "New Deal," the "Old Deal," or any "Deal" which is a square deal, in determining the comparative justness of charges for electric energy by privately owned public utilities and those of this government-owned operation, this factor of 25 per cent should be taken into account.

WENDELL L. WILLKIE,
Birmingham, Alabama, on November 7, 1934.

vented a clear understanding of the logical outcome of such a venture.

The truth of the matter is that the very nature of undertakings of this sort is to expand until they dominate the field. Power begets power—and while private enterprises are limited in their expansion, both by economic (and statute) law and the efforts of their competitors, no such restrictions bind public enterprises.

In the first place, no political agency can afford to admit failure; and by subsidies, questionable accounting, and as a last resort, the use of its sovereign power, it can defy the laws of economics. In this connection it is interesting to note that the recent default of Hydro obligations in Ontario is not blamed on poor management (the true cause) but on politics, i. e., the opposition party.

Second, having achieved public success, frequently at public expense, it becomes an issue which men subjected to the stress and strain of political campaigns cannot afford to overlook, after which no private concern can for long block its path. Indeed, so useful was this issue in Ontario that, with its help, the Conservatives (sic) held power for a quarter of a century; and when, in the 1933 election, the Liberals came forward with the cry of "Clean up the Hydro", Conservative defeat was turned into a rout.

And so the area of government operation spreads, until there are no new fields to conquer; with private enterprise fighting a rear-guard action, making what terms it can (and frequently good terms: the government—or taxpayer's—purse is deep).

This is not the occasion to state the case against—or for—complete government ownership of the power industry. Even the leaders in the yardstick movement do not attempt to argue its advantages. It would not be out of place, however, to quote from the report of a Royal Commission appointed to investigate the Hydro, as evidence of the dangerously uncontrollable character of such an enterprise. Although the Hydro was strong enough to suppress this report, quotations from it have appeared, among them being this statement:

"While the Legislature has widened the power and increased the authority of the Commission, the Commission, as we have pointed out in the Reports already made, has frequently gone far beyond even the wider powers given to it. On many occasions when it has exceeded its legal powers, it has gone to the government or Legislature for authority afterwards.

"A compliant Legislature having from time to time ratified and confirmed illegal acts of the Commission,

and disapproval by the Governments of the day of these and other illegal acts having been seldom expressed when brought to their notice by the Auditors, the Commission was undoubtedly encouraged to continue to disregard the law.

"The spectacle of the Commission, or rather the Chairman of the Commission, exceeding legislative appropriations by millions of dollars, spending for one purpose millions entrusted to the Commission for other purposes, making agreements clearly beyond the power of the Commission, while Auditors protest and Governments look on, has its humorous as well as its serious side."

Yardsticks may bring lower rates. But if, as experience indicates they involve the creation of an agency which can set itself on a par with government itself, the consumer's victory would be gained at a prohibitive cost. We must realize that the yardstick phase is only a temporary one. And before we accept it too readily we should reach a decision on the merits of the ultimate issue—that is to say, the complete socialization of the industry.

Government Price-Fixing

So much for the long-range aspects of this power program. It is on the immediate effects that its advocates place their emphasis: the losses to the utility investor are minimized, and attention is centered on the advantages to accrue to the consumer. However, before considering these advantages, it would be well at least to survey the cost to the utility investors, for they also are a part of the community.

The funds which made possible the building up of the power industry were advanced under the assumption that honestly invested capital is entitled to a fair rate of return. Indeed, had this not been the case, the industry would never have reached its present size and usefulness. Investors simply would not have risked their funds.

Now, however, a brand new doctrine is advanced. Regardless of the extent of the investment made to provide service, an arbitrary "fair" price, or yardstick, is to be set for electricity, based on hypothetical, sometimes inconsistent, and always debatable cost findings.

It is easy to arrive at any desired rate level by this means, if the hypotheses are carefully selected; so the Government authorities take the most efficient modern plants, built at depression prices, subsidized in part by the federal government, and built at one stage rather than over a period of years, as was actually the case

with most power companies. They assume favorable conditions of operation, and a level of customer use not yet attained (or attainable) in the normal situation, and thus arrive at a "fair" rate for domestic service.

What they have really determined is an objective toward which the industry should strive, in the next decade. But this is not the use to which it is put. The demand is that rates immediately be reduced close to this point, "or else".

The power company is thus in a dilemma. If it reduces rates to this level, it may sell more kilowatt-hours, but it will be years before a fair return can again be earned. If it does not, it faces government competition and an immediate decrease in the value of the property. The fact that utility rates have been forced down, in such situations, has no more value as evidence than has a confession beaten out of a suspect with a short piece of garden hose.

It is true that improvements in the science of making and distributing electricity, and the rapidly changing requirements of service to the American community, have helped to render valueless a good proportion of early investments. The tremendous wiping out of investment in direct-current equipment, in New York City and elsewhere, is an example of this "obsolescence by progress". However, no one would ever dare invest in a growing industry if the costs of progress were not shared between consumer and investor, even as are the benefits derived therefrom.

It is simply confiscation to force the investor to take full burden of such losses; and it is "anti-social" as well, for the investor can and will retaliate. Once fooled, he will hesitate to invest again, with the result that capital would be scarce and costly for the expansion that is expected of the industry, to the direct disadvantage of the customer group.

The Consumer's Stake

It is clear that the kind of government price-fixing which is proposed will be at the expense of the investing public. And what is the objective to be gained, for the sake of which these losses are to be incurred, and risks run? Here is the vaguest phase of this whole program: "Cheap electricity" is to do something miraculous for the American housewife, apparently to rebuild domestic life on a finer basis. How? That is the problem.

Surely it is not expected that a reduction in the cost of electricity for lighting and incidental uses is a major social gain. The present cost for this service is some two dollars a month. It is suggested that it should

be nearer a dollar, a saving perhaps of ninety cents a month, or a fraction of one per cent of the normal family budget. This might be a pleasant change for many families; but it certainly is not an important social objective, worthy of the losses and risks which the gaining of it would involve.

In point of fact, it might even be uneconomic, since below-cost rates for lighting and incidental uses will be conducive as much to waste, as to the more abundant life. Indeed, the yardstick proponents seem to recognize this point, as they cite as their principal aim, not this minor reduction in present electric bills, but rather such prices for electricity as will enable it to displace all other household fuels.

Here is a project big enough to challenge the imagination. But would it mean progress? Specifically, is the displacement of other services by electricity a sound economic and social objective? Is it even a practical, common-sense proposal?

Note first that American householders would have to find nearly ten billion dollars to invest in new cooking, water-heating, and refrigeration equipment. And why? Will electricity render better service more cheaply? True, electricity once had notable advantages, but in recent years the manufacturers of appliances using other fuels have greatly improved their products, as to convenience and economy of operation. At the present time the new competitive appliances are so satisfactory that the vast majority of householders would scarcely be willing to pay any materially higher price for a debatable advantage of using electricity.

It is customary among yardstick advocates to use the phrase "cheap electricity" as though it were one word—even as the post-bellum Southerner is supposed to have used "damnyankee". This has helped create the impression that if electricity were reasonably priced, it would not cost more than other fuels. However, this is mostly illusion, for electricity, basically, is not a cheap fuel.

To illustrate, here is a rough comparison between the yearly operating costs of electricity and other fuels which can be used in automatic equipment. Using the lowest practicable levels of electric rates (unsubsidized), and normal prices for gas, coal, and oil, the differentials are as follows:

For refrigeration, electricity, at 3 cents a k.w.h., costs from two-and-a-half to one-and-a-quarter times as much as competing fuels;

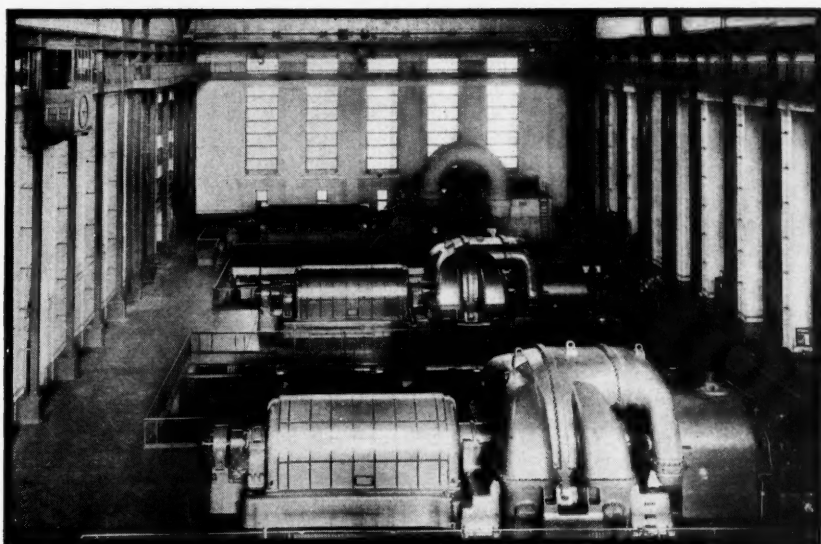
For cooking, at 2½ cents, it costs from four to one-and-a-half times as much;

For water heating, at 1¼ cents, it



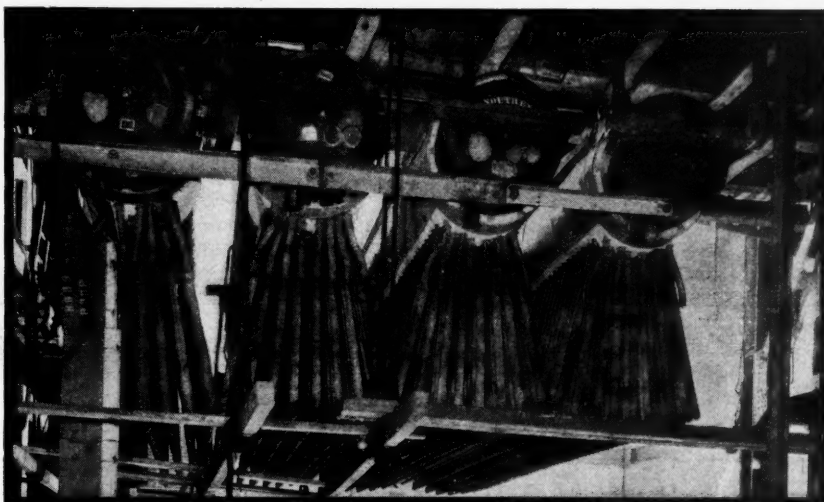
YARDSTICK

All Government yardsticks are hydro-electric. But most economical hydro sites are already developed.



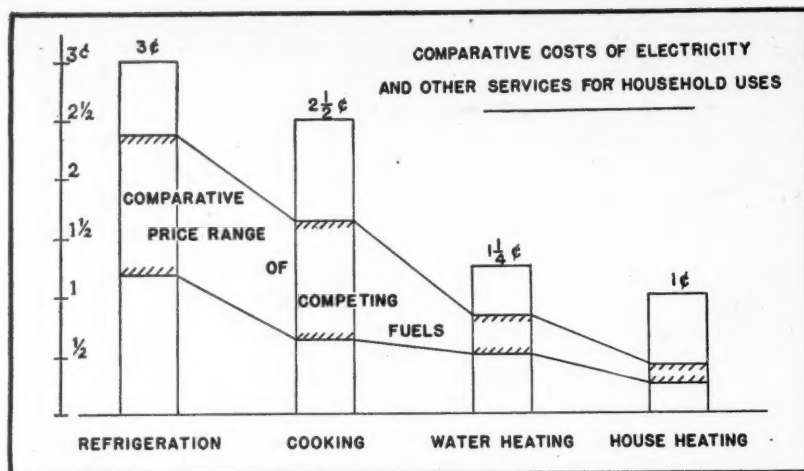
PROGRESS

The new steam turbine at far end will generate several times as much electricity as the hydro plant above.



NEWEST

Using mercury vapor instead of steam, this boiler (under construction) marks growing efficiency of hydro's rival.



costs from two-and-a-half to one-and-a-half times as much;

For house-heating (in Norris, Tennessee, the model houses are electrically heated), at 1 cent, it costs from four to two-and-a-half times as much.

There is a fundamental reason for the higher cost of electricity. When coal is transformed into electricity, four-fifths of the heating value is lost before the customer's appliance is reached. With manufactured gas, less than half of the heat is thus lost; and with other fuels no heat is lost, although the actual appliance efficiency, for coal and oil, reduces the natural advantage they possess.

Stated bluntly, if electricity is to be any real boon to American householders, it must at least equal the prices of the alternative fuels. This means average rates between three and seven mills a kilowatt-hour, for full household use; or, omitting house-heating, between six mills and one and one-third cents.

Can such rates be attained, rates below even the present low wholesale rates? Not without spectacular government subsidies; which, reduced to simplest terms, means that the American householder, as taxpayer, would still have to shoulder the bill. The community cannot get electricity for less than it costs, no matter who owns the power plant.

Of course the wealthier customers, who have spare dollars to devote to the ultimate in household beautification, might benefit by reductions in cooking and heating rates. But for those who work in factories or offices, and all the other people to whom each dollar saved is important, such electric rate reductions mean little. Unless government subsidy provides the utilization equipment, the all-electric home is not economically feasible for them because of the cost of equipment. And even if this equipment were provided, wherever present services are displaced, the consumer would gain little advantage in service and would suffer some loss in cost.

Thus, in the ballyhoo of electrification possibilities, the facts have been obscured if not misstated. There is a popular anticipation of benefits that the most magnificent of governmentally-supported projects cannot make a reality.

Nor is this the full extent of the social waste inherent in the yardstick program. To whatever extent electricity replaces gas, oil, and coal, workers in these industries will be thrown out of work, and the cost of these products to their remaining users will be increased. Here, surely, is no progress toward the more abundant life.

This consideration of the consumer's true interest points unmistakably

to a really useful undertaking which the Government could foster to better the lot of the average American housewife: Improvement in present methods of using cheap fuels, and development of new domestic uses, so that convenient, modern appliances can be afforded by all.

Then, if some subsidy is held socially desirable, let the Government finance the purchase, by people of limited means, of such appliances. The Electric Home and Farm Authority is a step in the right direction, but it would be far more useful if it were expanded to cover the cheap fuel fields. The Federal Housing Authority does a little of this financing, but is not an important factor.

Unfortunately such a program would not be as spectacular as the building of great dams and transmission lines, nor has it the glamor which surrounds electricity, so it does not meet the requirements of those whose interest, perforce, centers in the householders' votes. Still, while it may be too much to expect the bare economic facts of the matter to be controlling, these facts serve as a real yardstick by which we can measure the judgment, if not the sincerity, of those who persist in riding the power issue.

Conclusion

It has been shown that the factor of competition with other products, together with the improvement in state regulatory methods, will keep electric rates at reasonable levels—that the yardstick technique is not only unnecessary to keep prices down, but is likely to lead to a government "power trust" the implications of which have not even been considered. And it has also been shown that there is no important social objective to be gained in return for the losses investors may be, and are being compelled to suffer.

In consequence, it would seem that the major assumptions supporting the Administration's power program are largely without validity, and that government price-fixing has now no economic justification.

One is forced to the conclusion, therefore, that it is a mistaken conception of the national welfare which has motivated those who are responsible for the program's adoption and who press for its fulfillment. Indeed, in view of the appealing nature of the "cheap electricity" shibboleth, we should not wonder that this is the case. Nevertheless, it is the responsibility of every thinking citizen, as well as the industry itself, to look beyond the oratory and glamor, and judge the problem in accordance with the underlying economic and social issues.

ELECTRIC RATES NEEDED TO COMPETE WITH OTHER FUELS

Alternative Fuel	Cook- ing	Re- frig- eration	Water Heat- ing	House Heat- ing	Com- bined Ser- vice	Available to
	(In cents per kilowatt-hour)					
Coal (domestic stokers)5	.25	..	All electric customers
Oil (or kerosene)	1.4	2.2	.6	.3	.6	All electric customers
Natural gas—1050 BTU	.6	1.2	.35	.2	.3	1/4 of elec. customers
Manfd. gas—530 BTU	1.6	2.5	.85	.4	.7	1/2 of elec. customers

Prices Used: Natural gas, 75 cents per MCF for all but house-heating; 50 cents for house-heating. Manufactured gas, \$1.00 for cooking; 85 cents for water heating and refrigeration; 50 cents for house-heating. Coal, \$8 a ton. Fuel Oil, 7 cents a gallon. Kerosene, 14 cents a gallon.

THE GERMAN PRESS—IN EXILE

SINCE THE DAY that Hitler came to power, thousands of Germans who fled from their homeland before the nazi storm have been getting news of the conditions they left behind them from a number of newspapers and magazines published for them.

Of all these German émigré papers (and there are perhaps a score of them in Europe) the most important are two weeklies, *Neue Weltbühne*, published in Prague, and *Neue Tagebuch*, in Paris. Says the former:

"It was recently reported that in Germany troublesome prisoners are made docile by the injection of certain drugs, after the system used on Van der Lubbe. This sounded so improbable that the press did not play it up. It is, however, a proven fact. One victim of this method is in a sanitarium in Koeniggratz. He is the Czechoslovak Captain Kerinovic, once a strong man six feet tall, to-day a physical wreck. This man of 36 weighed nearly two hundred pounds before his German adventure. To-day he weighs a hundred and ten.

Dictatorial Horrors

"But there is another witness whose testimony is even more conclusive than that of the sick Czechoslovak captain. Major Sch. of the secret division of the Reichswehr ministry has boasted that Germany has at her disposal methods of making obstinate prisoners amenable by means of injection. This Reichswehr officer told of methods of the Middle Ages, when the inner organs of victims were slowly destroyed by mixing minced hair with their food. To-day more humane methods are used. Why minced hair, when the effects of thorn-apple juice are known? This drug destroys the brain ganglia and brings about that terrible state of exhaustion that cast the Czechoslovak captain on his sickbed. Memory is destroyed and nazi accusers obtain all the confessions they desire. The Middle Ages are outdone!"

Not all of the *Weltbühne's* news is so grim. Here, for instance, we find it in lighter mood:

"At a recent peasant convention the German minister of agriculture, Darre, dealt among other things with animal husbandry. He stated literally: I have decided that, apart from the breeding of pure-blooded horses, no animals shall in future be eligible

for blue ribbons if either their sire or their dam came from abroad. Thus Darre applies the Aryan race-laws even to German cattle. To lend sufficient force to his proclamation, he added that he would keep a sharp lookout for any breeder who violated the new orders."

Like the *Weltbühne*, the *Neue Tagebuch* is a bitter enemy of the nazi regime, and an ardent champion of its victims. Though not a communist magazine, it never fails to defend the rights of communists persecuted by the nazis.

Quite a different sort of publication is the *Deutschland-Bericht der So-pade*, published monthly in Prague by the German Social-Democratic party. Multigraphed on thin green paper, *Bericht* is not really a magazine at all, for it contains neither articles nor editorials, but instead reports from all over Germany, written by party members who have stayed behind, smuggled out by secret couriers. For this reason *Bericht* is the most fruitful source of information about conditions in Germany to be found anywhere. Here is how the latest number summarizes:

"The hopes of a vast majority of the German people are centered on the Reichswehr and, though the Reichswehr continues to coöperate with the regime, conjecture in Germany about its intentions and tactics do not end. Reichswehr men who might become leaders of the military dictatorship of to-morrow are discussed time and again, only to be dropped for other names.

"All this implies not only the danger of new disappointments and deepest discouragement, but it also throws light upon the mental state of the masses. The mood of politically-minded circles might be measured by the slogan Hitler-must-go—by whatever means, even that of military dictatorship, if that will help rebuild a state based on justice."

Here is what the *Deutschland-Bericht* has to say about the food shortage: "The food-shortage problem has become more and more serious, owing not least to the growing hostility of the farmers, who appear to be sabotaging the government wherever they can. Each new restrictive measure, as well as the tightening-up of the tax collection, adds to the number of those who are disappointed in the nazi regime and who

increasingly feel that their economic self-determination and personal liberty are being limited. The government's appeal to the farmers to participate in overcoming the food shortage is just as unsuccessful as the appeal for a more reasonable attitude from housewives."

But German émigrés do not have to wait on weeklies and monthlies for their news. In Paris, at least, they have a daily paper which is all their own: *Pariser Tageblatt*. It is edited by Georg Bernhard, who before 1933 was editor-in-chief of the famous *Vossische Zeitung*, one of the greatest newspapers in post-war Germany. Though, like the magazines, it assumes that its readers will be keenly hostile toward the Hitler government, the *Tageblatt* is less a journal of opinion than a newspaper, with dispatches from New York, London, Berlin, daily radio programs, a to-day-in-Paris column, even some serial stories.

PAPER IN PARIS MUST BE WITH HITLER OR GERMAN

Nazi in Exile

All these magazines and newspapers have one thing in common: they are published by and for persons who have always been enemies of the nazis—for liberals and radicals. But there is a German émigré publication in Prague which is edited by a man who is proud to be called a nazi—who, indeed, considers himself the only spokesman for *genuine* National-Socialism in Europe: Otto Strasser. Dr. Strasser was for a long time a prominent member of the nazi party and head of the Black Front, an organization of nazis who sincerely believed in the socialism of National-Socialism. Later it came to a break and Otto Strasser left Germany in time to escape the purge, taking the Black Front and its newspaper, *Deutsche Revolution*, with him. His brother, Gregor, remained behind and was one of the many victims of Hitler's fury on June 30, 1934.

A few months ago the other German émigrés formed a united front in an effort to strengthen the anti-nazi forces of Europe. But Otto Strasser remained aloof. In a recent issue of his newspaper he published a manifesto in which he made his position clear. The Black Front, he maintains, regards itself as part of the German revolution, *not* of the German emigration.—VARIAN FRY.

KICKED OUT OF GERMANY

In our next number will appear extracts from the exotic "class" press in America.

QUEZON IN FILIPINOLAND

BY DANIEL T. O'BRIEN

Feeling the pinch of politics, the Philippine back country is rising in revolt. Anti-independence sentiment rides the spectre of economic disaster, harder than the menace of Japanese imperialism.

© Harris & Ewing



GREETING!

Manuel L. Quezon visited President Roosevelt early in 1935. Secretary of War Dorn is looking on.

THE PHILIPPINE Islands, America's one-time outpost in the Pacific and an almost unexploited mine of riches, is today a seething volcano of political and social unrest because of the triumph of Don Manuel Quezon, a dynamic little native politician who has made himself virtual dictator.

The exodus of American and Spanish capital, long dominant in the islands, is beginning. The peaceful penetration of the islands by Japanese merchants and planters is broadening in scope. Within the last six months there have been numerous strikes in the Spanish-owned cigar factories. Mobs of hungry Filipinos have stormed the rice warehouses. Out in the provinces there has been one armed uprising within the last year, and representatives of the Quezon regime have been stoned by natives who formerly were their followers.

Why the Army?

It is no wonder that President Quezon, of the new Philippines Commonwealth, has placed the establishment of an army at the cost of 20,000,000 pesos as first item on his legislative program. It is to be an army of defense, but not of defense against an external aggressor. The United States stands responsible for that—for the next ten years—while within the islands the responsibility of government rests upon Quezon. This new army which the President plans to raise is to be in defense of his own regime, as against elements in the Philippines which are bound to challenge it.

Indeed, when I left Manila shortly before the New Year, after a stay of several years as journalist in that capital, the beginnings of a distinct anti-independence drive against Quezon were discernible. The movement

will be well financed. Instead of less trouble there is probably going to be more.

The reason for this coming drive against independence, and indeed a drive to save free trade with the United States instead of incurring the rising tariffs against Philippine products projected in the Tydings-McDuffie Act for the ten years of Commonwealth status, lies in the basic economic set-up of the islands.

The greatest investments in the islands, aside from native farming, are in sugar, copra, hemp, tobacco, and lumber. There is about \$265,370,000 invested in the sugar industry. Some 40 per cent of this investment is American, and 60 per cent is Spanish-Filipino. There is about \$221,215,000 invested in the coconut industry from which basic materials for soap and ammunition are derived, and most of this investment is American.

The Japanese have the bulk of about \$195,065,000 invested in hemp raising. There is about \$30,245,000 invested in tobacco growing, and about \$20,500,000 in the island lumber industry.

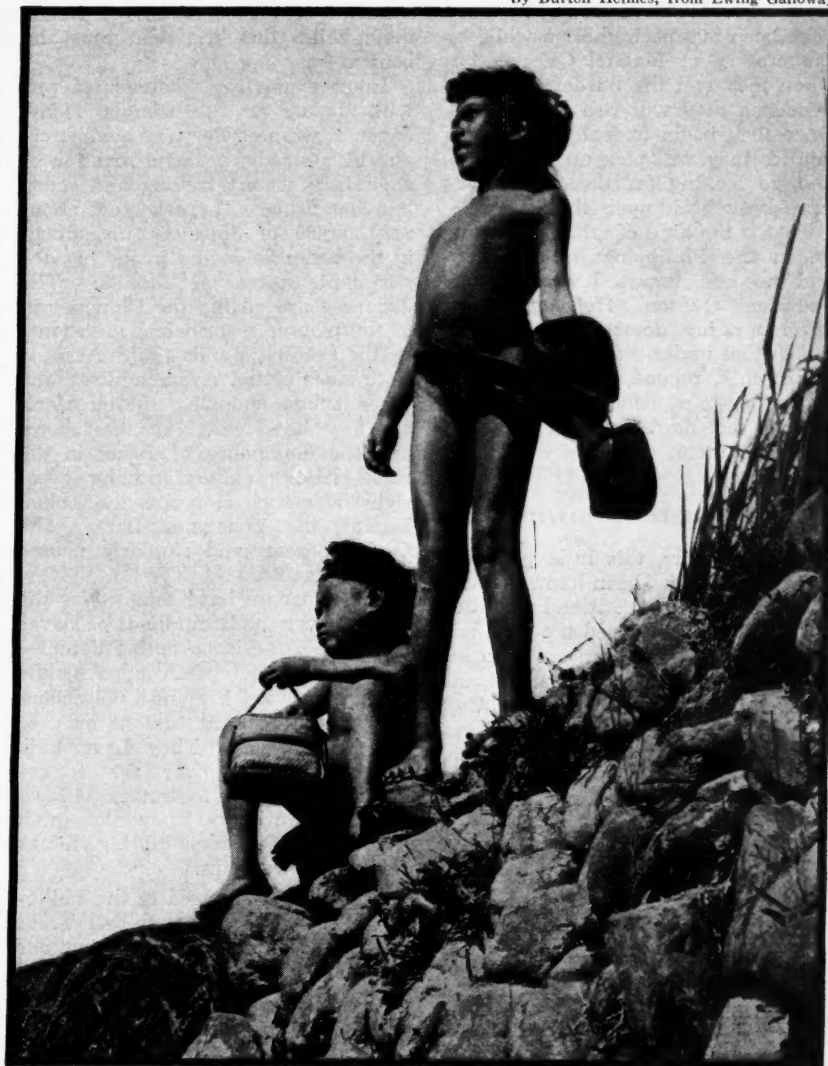
Vanishing Markets

Sugar is the greatest export of the islands, and the market for 86 per cent of the crop has been in the United States. The United States has bought most of the islands' copra, tobacco, and lumber, and about one-third of the islands' hemp. It is not too much to say that the erection of tariff barriers in the United States against these products of the islands spells absolute ruin for the greatest investors there, and consequently for large portions of the Filipino constituency which have been shouting huzzas for Quezon and independence.

The New Deal agricultural legislation already has been a blow to the sugar industry because of its limitation on production, and the \$21,000,000 in benefit payments received by sugar growers for letting their cane rot in the fields has not sufficed to stave off growing unrest among the humble *taos* whose wages have had to be curtailed. It is because of hard times in the sugar growing country of Panay and Negros that representatives of the Quezon government have been stoned there by mobs.

About six months ago I visited the home of Don Ramon Belzunce, wealthy sugar planter of Bais in Occidental Negros, and what he told me about his apprehensions for the future indicates the general view of old Spanish families engaged in sugar raising.

"For more than seventy years my family has grown sugar here," he said. "All of this land that you can



HUNGRY

President Quezon must deliver prosperity to a people already beginning to feel hard times—or fight them.

see from my house, and hundreds and hundreds of acres more, have been handed down in the family, which as you know came from Old Spain. All the wealth which we have accumulated in these years is still here in the Philippines, for it is our home.

"You can travel over my place and you will see rows of well-built, clean homes for my Filipino laborers and their families. We have about fifty families here, and some of the old fellows among them have been working on the hacienda for more than thirty years. They have always had enough food to eat; enough clothes and medical attention. Most of them have never been to Manila. They have been content to stay here.

"How do you think they will feel when the sugar crop is no longer marketable? I am not a man well versed in politics, but this talk of independence and the acts of the United States government in pre-

venting our milling of sugar-cane are leading to danger. Something must be done or a revolution will sweep these islands."

Independence and Ruin

This same foreboding of revolution was expressed by another planter in Iloilo whom I visited, Don Fernando Lopez. "I am a Filipino," he said, "but I do not want independence because it will bring ruin to this country. My people here have always had enough to eat and have always been comfortable. What this new government means is more and more taxes. There will come a time when we will not be able to pay. There will come a time, if the politicians in Manila have their way, that we land-owners will not be able to give our people even a handful of rice.

"Do you think the Filipino tiller of the soil will stand still and starve? He will not. He will raise arms in

certain revolt. I am sure of it. They have been mesmerized for a while by the oratory of Manuel Quezon, but when they feel the burdens of independence they will rise against him. Once they begin to feel the pinch of politics they will pick up their bolos and go looking for the people who have brought it upon them."

That is the kind of talk that is going on in the Philippine back-country, and no one knows it better than President Quezon. Hence the program for his domestic army. He knows that under the brand-new, unaccustomed regime, he must deliver prosperity to a people already beginning to feel hard times, or stand up and fight them.

The Master Showman

For ten years, this little politician from Tayabas has been known as untitled dictator of the island's politics. At last he has acquired the title, and trouble. His has been an amazing career, from birth in a Nepa hut. He weighs only about 140 pounds. Two years ago he fought and won a remarkable battle against tuberculosis, which threatened to destroy him. But his hardest battles are still ahead.

Born of Spanish-Filipino parentage, he possesses a personality of charm and dignity which one cannot help but admire. Always immaculately dressed, with flashing dark eyes and a shock of gray hair, his very mien radiates warmth. He is a master showman. He has proved himself a vindictive foe and a loyal friend. But today he stands "on the spot" as never before.

The leading American investors in the islands are all against him, suspicious of him, confident that his political policy means economic disaster, convinced that if ever the American flag is hauled down from Corregidor and Fort Santiago, it will not be long before the flag of Nippon floats above them. Many of them do not believe that Quezon really wants independence. They believe he may try to manipulate popular feeling among his humble followers so that they, too, will turn their backs upon it and be willing to prolong the commonwealth status.

This would leave Quezon as the ruler of the islands, with all the powers, and the United States holding the bag of responsibility for their defense against external aggression. It would be a nice position for the little dictator, but the moneyed interests of the islands would not relish it. They are doubtful, too, whether even Quezon, the popular orator, can still the demand for independence which he has created. It would be political suicide for him, they figure,

if he were to change his colors. Hence their belief that the man must be beaten.

There is no fear whatever of war with Japan in the islands today. Japan is winning her way commercially by a steady, peaceful invasion of capital; by smart trading and smart merchandising. There is now about \$120,000,000 of Japanese investment in the hemp fields and in the big department stores of Manila. The Japanese are edging the Chinese out of the picture as principal merchants on the Escolta, Manila's Fifth Avenue. Both sides of the Avenida Rizal, another smart shopping thoroughfare, are now lined with Japanese shops, and the dominance of Japan in the retail field is advertised by great signs over such stores as the Tokyo Bazaar, the Yokohama Bazaar, the Osaka Bazaar, and similarly named establishments.

The Japanese have taken over the control over the hemp fields of Davao from the Americans and Filipinos—very peacefully. Often aided by the corruption of Filipino politicians, they have acquired title to most of the hemp fields. They have built broad highways over the former carabao fields, and sanitary villages for their workers. They have built a fine harbor, incidentally big enough for use by warships.

But there is no need in the Philippines of Japanese warships. Trade is there to be had for the asking, and the policing and defense may well be managed by Quezon's Filipino constabulary, plus the United States fleet. Once remove the American army, navy, and the United States as a source of loans, however, and a completely different picture would be presented. The Japanese military could be relied upon to protect Nipponese investments in the islands, and any loans which astute Tokyo bankers might wish to make to a hard-pressed or over-ambitious native Filipino government.

In Japan's Lap

Hence the apprehension of American investors over the prospect of independence, and the decision by many that it must not happen. As for the possibility of an independent Philippine nation being able to defend itself—a prerequisite of any true independence in the troubled Orient—the idea is absurd. Everybody in the Philippines knows it.

The peculiar geographical location and formation of the islands make adequate national defense impossible. The Filipinos have not sufficient man-power to defend their islands against their aggressive neighbor to the north. Neither the present na-

tional budget, nor any collateral which the islands might raise, could finance an adequate defense program.

A former commanding general of the United States army, in the Philippines department, told me his opinion of the matter in these words: "For the Filipinos to have an adequate national defense would mean having a standing army as big as Russia's; an air force as big as that of France; and a navy more powerful than that of Japan. Once we withdraw our military forces from the islands, it will not be long before you will see Japanese rickshaws on the streets of Manila instead of carromatas. There is absolutely nothing to prevent Japan from landing troops on the northern coast of Luzon from the China Sea, and marching them into Manila through the Cagayan valley. Take American guns and gunners out of Corregidor, and the Japanese can steam right up Manila Bay."

Jittery Business Men

Small wonder that American business men, many of them veterans of the army of occupation that followed hard on the heels of Admiral Dewey, are jittery at the prospect that the American flag may some day be hauled down.

There is little love for Japan among the Anglo-American business men in the Philippines, and no love for Japanese among the great Spanish land-owners. Typical of the attitude of the American old-timers is that of Judge John W. Hausserman, who was a soldier in the American army in the islands, and who today is known as gold king of the Philippines. He is president of the Benguet Consolidated Mining Company, which is just beginning to bring into great production the fields which it has been developing for twenty years.

"Everything I have is in these islands," he said to me. "I and my associates have been offered large sums to sell out to the Japanese. Rather than do that I would prefer to dynamite the mines. Neither I nor my associates can believe the United States is going to cut these islands adrift. We have been working here for years and have brought a little of the American civilization here. We just won't permit ourselves to harbor the thought that everything we have accomplished here is to go for naught, though we can't at present obtain assurance either from the American or Philippines governments that our money will be safe."

Because of this feeling, that money invested in the islands is no longer safe, it is an open secret that American and foreign investors are begin-

(Continued on page 78)

BEHIND THE FOREIGN NEWS

BY ROGER SHAW

British elections, foreign ministers, battleships, and economic sanctions are much in the international news these days as Italy hits out blindly against the League of Nations wall built up around her.

HIS MAJESTY's general election has come and gone, and since that time the British ex-agent Sir Samuel Hoare has resigned the foreign ministry rather ignominiously—the result of his peace scheme whereby two-thirds of Ethiopia was to have been handed over to Mussolini. Ice-skating and old-fashioned trick diplomacy are Hoare specialties. He headed his country's secret service in Russia in 1917, and has been accused of standing back of the Rasputin murder, since that renegade priest—pet of the Czarina—had been agitating for a separate peace between Russia and Germany. The accusation against Hoare was perfect nonsense, but shows how much the man has been feared and hated. Rasputin's death meant continuation of the war, and hence the revolution.

Sanctionist Eden

Hoare's handsome successor in the foreign ministry is Captain Robert Anthony Eden, age 38. Eden is a left-wing Nationalist and a sincere devotee of the League of Nations. He has opposed Italy tooth and nail from the start of things, and is a personal as well as a political opponent of Italy's Iron Duke. His appointment has delighted anti-fascists all over the world, and was the direct result of British popular demand.

Eden was private secretary for Sir Austen Chamberlain when the latter was foreign minister, attended Christ Church college at Oxford, and is an expert on oriental languages. In the World War he served as sharpshooter, and later as staff officer. He has been an extensive traveler in Orient and Occident, and writes up his observations. In British foreign relations, he has been a firm opponent of the Hon. Hoare and of fascism abroad. Eden believes in sanctions, economic and financial, as suitable weapons of the

League. Italians fear him, for they know he means business.

Baldwin's and Hoare's Nationalists gained a great victory in the 1935 parliamentary vote, winning 433 seats, as against 20 Liberals and 158 Laborites in opposition. Labor increased from 63 seats, won in the general election of 1931; while the Liberals, who represent a lost cause, dropped from a former 32 seats. Parliament contains 615 members, all told. The British public wholeheartedly supported League of Nations sanctions against Italy, no matter what their ministers may have wangled since, and Nationalists have been as indignant as opposition members in the matter of their leaders' vacillation and pro-fascism.

An interesting new analysis of Britain is shown, based on the recent voting. Parts of Scotland, Wales, and Cornwall remain the last Liberal strongholds, since non-conformist pastors of these non-conformist sections dislike Marxism and the Church of England about equally. The Labor districts are scattered, but in general they represent hardship-stricken industrial and mining areas in the north or midlands. The aristocratic south, with its scenic beauties and merry traditions, voted solid Nationalist. Strangely enough, so did certain manufacturing sectors, although the Nationalists have a party platform which differs from that of the Laborites in degree rather than principle. In fact, the Nationalist program is roughly identical to that of Yankee New Deal-

ers (excluding N.R.A. and A.A.A.), with Labor to the left of that.

Incidentally, half the new Nationalist delegates have titles of one sort or another, and it was the greatest political sweep for British aristocracy since the Reform Act of 1832.

Unlike old French aristocracy of the Faubourg St. Germain, which is almost completely decadent, His Majesty's grandees keep themselves in trim through tiger shooting, auto racing, horses, gaiety girls, scholarship, colonizing, soap-box radicalism, or practical politics. They are affable, red-blooded, gallant, and have a strict sense of social responsibility inherited from many centuries of the paternal feudal system, always at its best in England.

"Alien Aristocrats"

Meanwhile, His Teutonic Majesty continues to mind his own bourgeois business. He is known to dislike fascist dictators—sawdust caesars—despite certain of his ministers. Someone has called the general election a second Norman Conquest under Baldwin the Conqueror. The first came in 1066 under William. True it is that most of the aristocratic Nationalists have Norman names, while proletarian Laborites are just plain Anglo-Saxons.

Incidentally, there are some doubts expressed as to the morale of His Majesty's navymen in the Mediterranean. Mutinies have ever plagued the rather harsh British sea-service. One hundred and forty years ago the entire home fleet initiated a blockade of London out of sympathy for the French revolution, failing chiefly due to lack of cooperation by the miserable city proletariat. In the summer of 1918 ship soviets were formed on many British battleboats to the dismay of tactful officers who did little to interfere. British sailors were

If the reader has any questions on foreign affairs not covered in these pages, Roger Shaw will answer brief queries by letter.



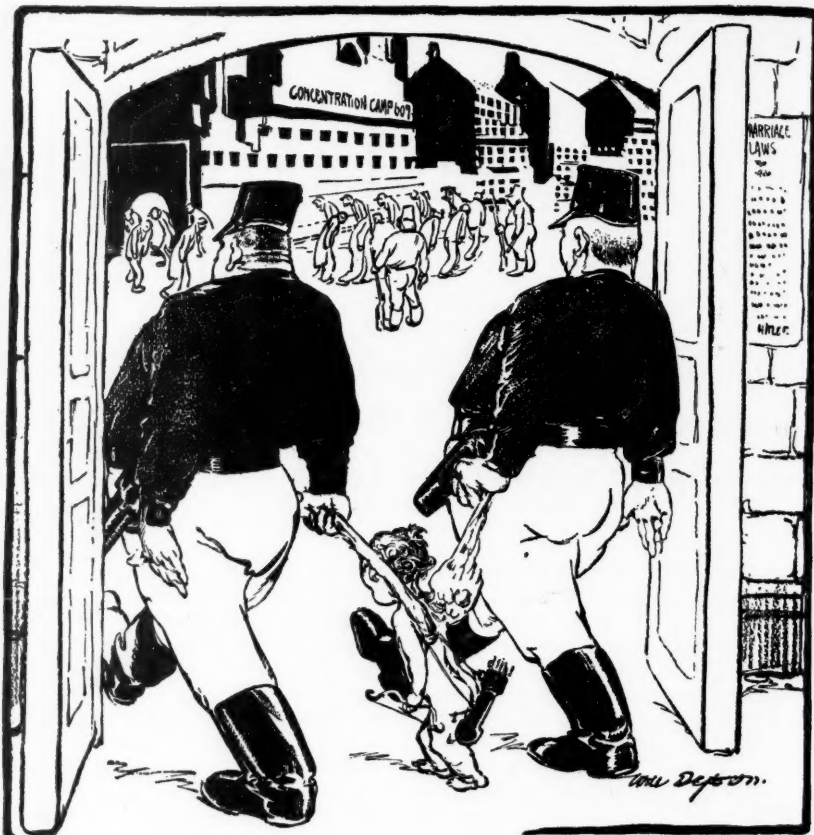
From Amsterdam Notenkraaker (Holland)

"In the blind Germany of 1936, old one-eyed Wotan is nazi king."



From the Cardiff Echo (Wales)

The Geneva gent tries the Mussolini slot-machine to win peace.



From the London Herald

CUPID

The imp of love is taken off to a nazi concentration camp for his activities in entangling enamored Jews plus Gentiles.



From the Milan Guerin Meschino (Italy)

EGYPT

John Bull sits securely on the poor Egyptian, and then complains about Italian treatment of "exploited" Ethiopians.

about to enter into negotiations with German sailors in order to end the war, but German naval mutinies at Kiel brought the conflict to a finish before this international strike could materialize. In 1919 British seamen opposed the Allied war with red Russia, and did much to further their country's quiet withdrawal. There was trouble at Invergordon in 1931.

With the radically new Italian sea-

equipment, His Majesty's fleet might prove quite vulnerable and His Majesty's gobs—ever courageous—are none the less aware of this. If British seamen have the daring of bulldogs, those of Mussolini have the paranoia of dope-fiends which sane men fear. It is difficult to rule the waves while suicidal bombers rule the air and suicidal speedboats buzz at 60 knots.

JAPAN IN CHINA

Does little Nippon in the Chinese North mean another oriental war?

WHILE EUROPE and Africa are distracted by the Italo-Ethiopian dispute, with League of Nations policemen at a discount and the British and French vacillating, the Japanese military machine plugs ahead on the Asiatic mainland as it has for nearly half a century. Overpopulated Nippon, without proper birth-control or a well-regulated economy in social matters, is forging ahead under pretext of restoring order in bandit-ridden North China, which adjoins the Jap-dominated Manchurian state.

In 1895 Japan gained control of the Korean peninsula just across the Japan Sea, after a victorious war with China. Triumph over Czarist Russia came in 1904 in a bitter quarrel over Manchuria, that struggle making Japan a world power to be reckoned with. Japanese tried to take Eastern Siberia in 1919, but failed. In 1931-32 came the acquisition of Manchuria, nominally a Chinese province, and the erection of so-called Manchukuo under a puppet monarch whom, to date, nearly all countries have refused to recognize. There soon followed annexation of the Chinese province of Jehol, lying southwest of Manchuria.

Now five more provinces of North China are demanded: Hopei, Chahar, Shantung, Suiyan, Shansi. Should Nippon consolidate this region under her aegis, she would have taken from China, in all, close to 125 million people and roughly 800,000 square miles of territory. Nationalism has come late to China. Patriotic public sentiment appears to be virtually non-existent except among students and business men such as the plucky Shanghai merchants, who backed the 19th route army in its tremendous battle with Japanese army and navy and aviation in 1932. On the whole, North China does not seem greatly averse to Japanese overlordship, in-

tellectuals and progressive college boys and girls excepted.

As this is written, most of Hopei and Chahar have been formed into a North China political council under General Cheh-yuan, chairman of this semi-autonomous entity. Meanwhile Inner Mongolia, and its capital of Kalgan, have deserted China and joined Manchukuo. Outer Mongolia, with its little red capital of Urga, is an independent soviet state under Russian protection. There have been frontier incidents between Russ-run Outer Mongols and Jap-joined Manchurians. Thunder over Asia hereabouts?

The Chinese central government, under Chiang Kai-shek and his

Kuomintang, really controls little of the vast country beyond the city limits of its Nanking capital, and nature abhors a vacuum. Middle China in part and certain outlying districts have gone communist; the great southern port of Canton is always radical; and the rattled Chiang—who is something of a red-baiter—is said to prefer the Japanese in the north to the Marxists in the south. The southern reds, incidentally, form a core of resistance to Japanese invasion. Everyone, north and south, Japanese and communist alike, distrusts Chiang and the Nanking crowd according to reliable reports from the front.

The morale of the Japanese army is excellent. The men are brave and the officers are devoted to their mystical emperor. But their forces are decidedly under-mechanized, their battle tactics appeared extremely old-fashioned at Shanghai, and the harsh climate of North China and Manchuria does not agree with the men.

Meanwhile the Dutch have put their rich East Indies colonies, Java and Sumatra, under British protection, and John Bull strengthens his greatest naval base at Singapore in the Malay peninsula. The new Filipino republic will introduce universal military conscription, and Australia remains very safely within the British empire. Siberians and Californians are nervous. Japan, purposeful and ultra-patriotic, is marching on and on. Her invasions take various forms. In China, expensive soldiers; in India, cheap textiles; in Brazil, lowly labor; in London, lofty demands for naval equality.

EXIT DR. MASARYK

Benes becomes President of Czechoslovakia. But after Herr Hitler, what? THE SAME AS IS NOW.

AN EVENT of more than passing interest is the retirement of Thomas Garrigue Masaryk from the presidency of Czechoslovakia. The elder statesman, age 86, was George Washington of his country during stormy World War years, having been a courageous leader in anti-Hapsburg agitation for an independent Czechoslovak state, free of Austrian domination. He was coachman's son, then professor. Out of office, he will bear the title of president-liberator.

Dr. Masaryk was elected first president of Czechoslovakia late in 1918, and held office continuously for seventeen years, beloved and respected

by all. He had lived in America, and married a Brooklyn girl whose last name he adopted, poetically, as his middle-name. His resignation has come finally as the result of old age. He had been voted to the presidency four times in all.

Edouard Benes, 52, his bright-young-man, has been elected to Masaryk's place by combined vote of a national assembly made up of the senate and the chamber. Dr. Benes, considered perhaps the cleverest statesman in Europe, has served as foreign minister continuously since 1918. He founded the Little Entente of Czechoslovakia, Yugoslavia, Ru-

mania after the war; is now president of the League of Nations Assembly at Geneva.

Czechoslovakia is the only democracy left in Europe east of the Rhine, and functions admirably despite Conrad Henlein's German opposition of 44 in parliament. Her population consists of the dominant Czechs, and also Slovaks, Ruthenians, Jews, Hungarians, and 3½ million Germans. The total is approximately 15 million, with an army of 150,000. The labor-minded Czechs are in alliance with France and Soviet Russia.

Hostile Neighbors

The Czechs—ever pan-Slavic—are counting heavily on their Russian alliance. Hostile Hungary wants back her lost province of Slovakia, although Slovaks are country cousins of Czechs. Germany would like to take over next-door North Bohemia, which has a Germanic population politically vocal. Poland has a long-standing boundary dispute with Czechoslovakia over the Teschen district, which bodes no good. Germany, Poland, and Hungary are in virtual alliance, and all three are fascist, militarized, and on the make. Should the Hungarians retake any part of Slovakia, they would possess a corridor through to their Polish pals, as they ardently desire. Today Czechoslovakia geographically separates them.

Ewing Galloway

Meanwhile the Russian red army could invade Germany by marching through friendly Rumania, into friendly Czechoslovakia, and thence over the German frontier into Saxony or Bavaria. Saxony is a center for German textile industries, and also contains heavy armament works moved from the French-threatened Rhineland. It is a German nerve-center, the most thickly populated area in Europe after Belgium and England. Comrade Voroshilov's red troopers are not exactly welcome there, although most of the Saxon proletariat doubtless entertains communist sympathies. Bavarian Munich is Hitler headquarters.

Czechland bears the imprint of three great men—Huss, Masaryk, Benes. She lost her medieval identity in the same year that America gained hers—1620—and the Czechoslovak flag is fashioned after that of the United States. Prague, the capital, boasts an appealing statue of a great American, Woodrow Wilson.

After Wilson, Harding. After Masaryk, Benes. After Hitler, *what?* As to this there is endless discussion. The latest rumor from Germany is a revival of the old empire, under the royal house of Wettin. The Wettins ruled in Saxony for well over 800 years, and compared to them the Hohenzollerns of Prussia are parvenus. This proposed German empire would consist largely of Catholic districts: Bavaria, Swabia, Baden,

Hesse, and the western third of Prussia, which is also clerical. Saxony would be included, for although that state is solidly Protestant, the Wettin family has always been Catholic and is extremely popular among Saxons.

Wettins were ever a proletarian outfit who disliked courtly ceremonies, and much preferred workers' beer-halls. They hated napkins and finger-bowls and get-rich-quick Hohenzollerns, with all their fuss and feathers. The last Saxon king, old Fritz Augustus III, lived in two rooms of his Dresden palace and shut up the rest of it. He scandalized fine folks, and tickled the reds.

The Fourth Reich

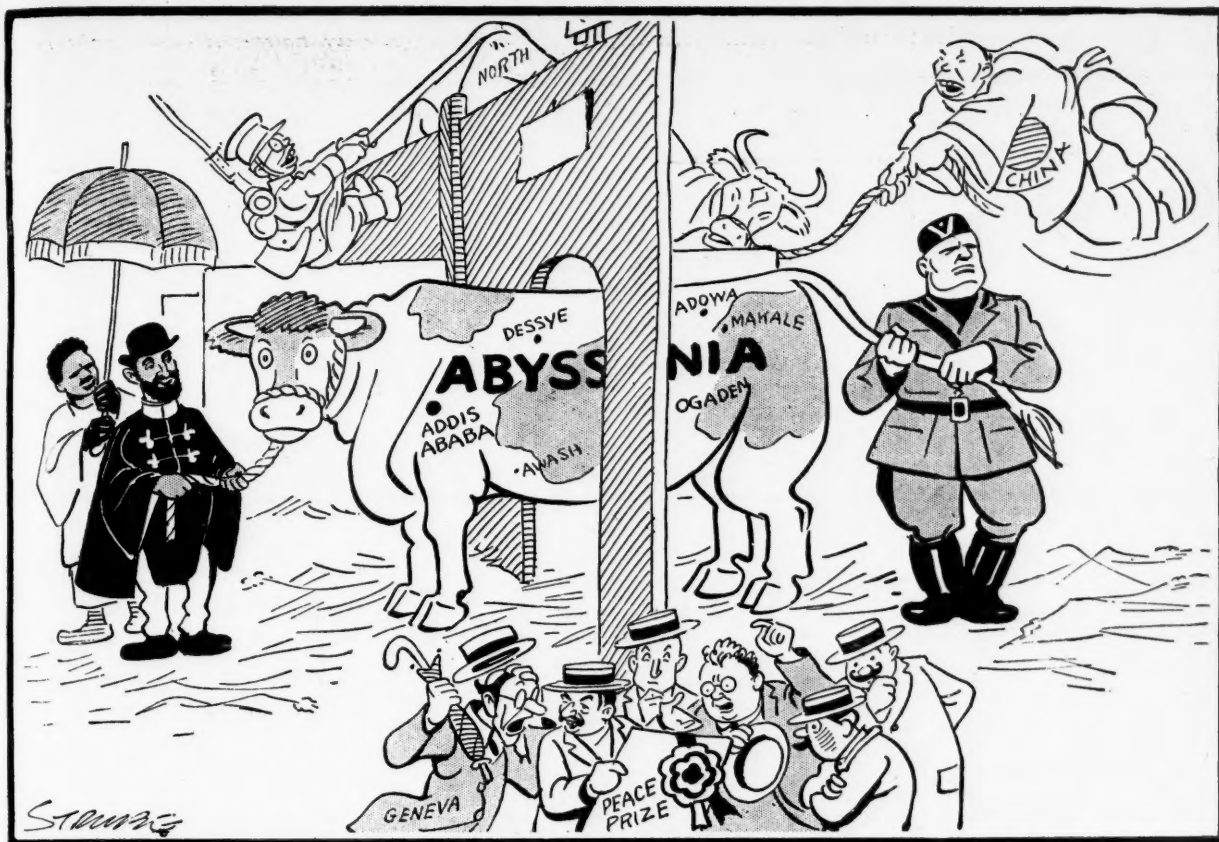
Were this Catholic empire set up, eastern Protestant Prussia would be left to the hard-shelled nazis, and Catholic German Austria might conceivably come into the Wettin monarchy. A Fourth Reich might be religious, but liberal and democratic, and quite without anti-semitism. Population would aggregate roughly 40 million, equaling that of France. Cologne, with 750,000 inhabitants, would be the most populous city, for Berlin and Hamburg would stand excluded. Hitler's organized campaign against Catholics, who constitute a third of the German population, will be launched intensively during 1936. This may speed the drive for a clerical Fourth Reich, as outlined above.

Insert: Keystone View



NEW CHIEF

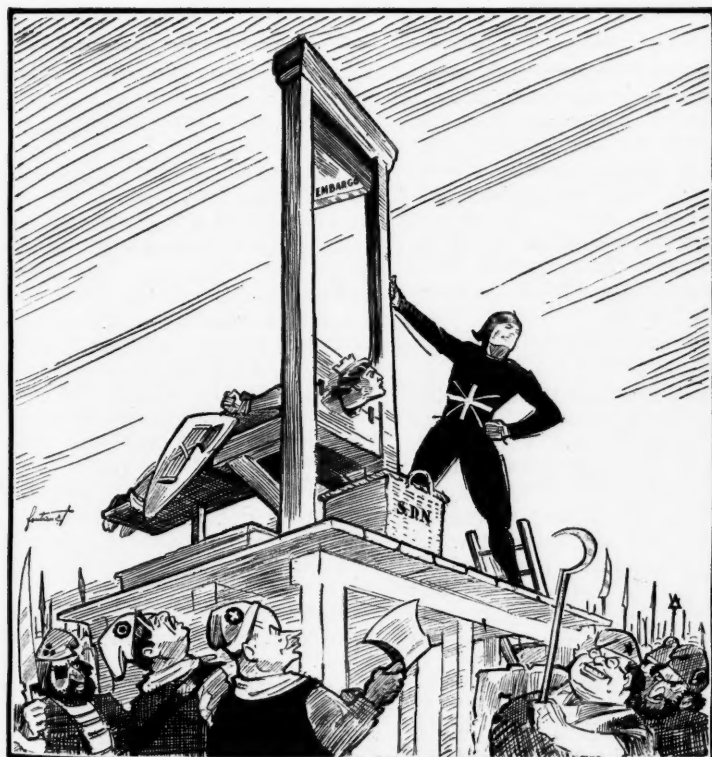
Edouard Benes has been elected to the presidency of Czechoslovakia. In the background are the great Skoda steel works at Pilsen, leading industry of the land.



From the London Express

BOVINE

The international cow-show committee is squabbling as to disposal of the handsome Ethiopian bovine, exhibited by Haile Selassie at one end, Mussolini at the other. North Chinese cow next!



From the Geneva Pileri (Switzerland)

AX!

The British executioner is about to guillotine "beautiful" Italy, with the approval of the League of Nations mob.

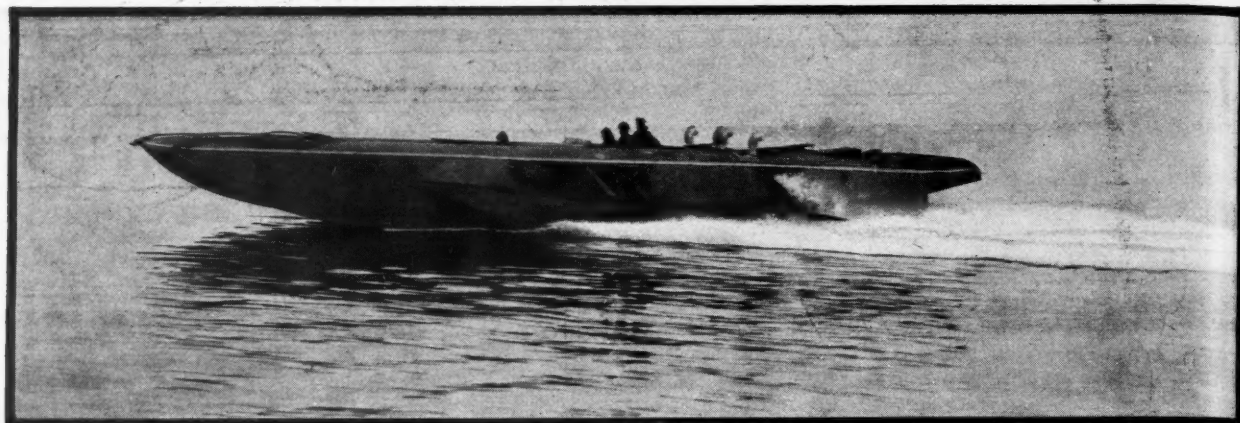
BETTER LOOK OUT FOR HIMSELF



From the Rome Travaso (Italy)

Patriotic statue: "I fear the sanctions! Please, sir, melt me up for bronze."

SPEED This 55-foot Sea Sled, built to carry an airplane, has a speed of 55 statute miles per hour. This shoal-draft boat weighs 25 tons. Its "surface propellers" run only half submerged as it skims.



SEA SLEDS VS. BATTLESHIPS

BY ALBERT HICKMAN

Italians believe that battleships belong in museums and rest their defense on airplanes, submarines, and torpedo-carrying motorboats. America should learn more of this last-mentioned arm of warfare.

THE REPRESENTATIVES of world powers sit in a naval conference debating reductions in the numbers of battleships, cruisers, and destroyers, necessary to maintain proper defense against one another, but there is one nation, Italy, which has abandoned these expensive weapons in favor of three cheaper and, so she believes, far more effective weapons. Her choices are: airplanes, submarines, and the small, swift, torpedo-carrying motorcraft known as MAS.

The faith of Mussolini in these frail craft last-mentioned is quite obvious, and quite justified, since he has been able on more than one occasion recently to bluff both the British and the French. This diplomatic and naval maneuvering in the Mediterranean, vividly described in the December issue * of the REVIEW OF REVIEWS, actually revolved in large part around 300 torpedo-carrying Sea Sled boats said to be owned by the Italian navy.

The writer, who is the ^{myself}inventor of the small, high-speed torpedo-boat, is happy, at the request of the REVIEW OF REVIEWS, to give the inside story of the development of this craft

and to analyze its extremely interesting possibilities in naval warfare.

The words Sea Sled constitute the writer's personal trade-mark which has been generally applied to boats of his design, built under his supervision; so the Italian government strictly has no Sea Sleds. And yet the development of the whole principle was originally carried out under the Sea Sled name.

Here is the story in brief:

In January, 1913, I brought to the New York Motor Boat Show the first complete development of the so-called Sea Sled type motor-boat. This boat in design was practically a direct reversal of all accepted types of power-driven vessels, large or small. In place of incurving water lines it had outcurving water lines forward. In place of a bottom that was rounded or V-shaped in cross section, the bottom was of inverted V-section. Instead of the boat having a sharp bow, the bow was wider than any other part of the vessel. In place of the propellers being under water they were half submerged and called "surface propellers". And instead of the rudders being at the stern they were at the sides aft. This type

of boat we believed to be, as I think it has since proven itself to be, the most seaworthy high-speed motor-boat in the world.

In September, 1913, I demonstrated a 20-foot Sea Sled boat to officers of the United States Navy Department. It ran at speed in half a gale of wind outside of Boston and the demonstration was a success. The navy started by ordering two 24-foot Sea Sleds that ran at thirty-six miles an hour, and were the first of the fast aircraft rescue boats used by the department. Later, it developed that all their aircraft rescue boats used in war time were to be of this type.

Then in August, 1914, the World War broke and within the following month, based on the great seaworthiness and carrying capacity the small Sea Sled boats had shown, I developed the idea of carrying torpedos with a destructive charge for capital ships in boats of this class that would be so small, so fast, and of such a high order of maneuverability that in an attack on an enemy fleet it would be practically impossible to stop them by gunfire or by the use of any armament then existing. That was the tactical novelty. These boats

* "Ethiopia's Chinese War" by Richard Barry.

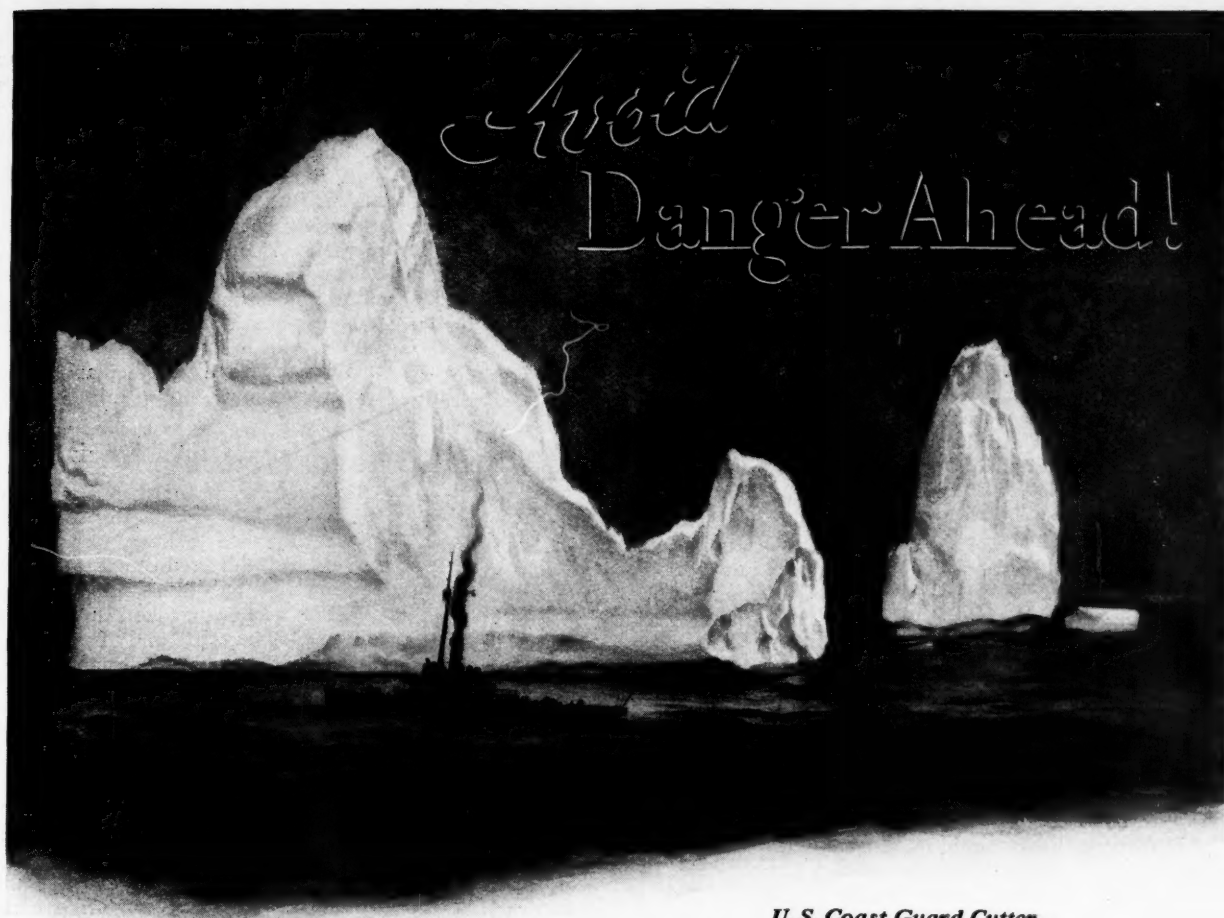
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*U. S. Coast Guard Cutter
stands by, sending warnings*

WARNED of icebergs ahead, the wise ship captain charts a course which avoids danger. Likewise, men and women with their doctor's advice should chart a course of living which will help to avoid some of the dangers to the heart. Children, as well as adults, need to have their physical condition charted. A child who is recovering from any infectious disease should be carefully examined to learn whether the heart has been damaged and needs special care. Prompt attention may prevent lasting heart injury.

A person may have a defective heart without realizing the fact. On the other hand, many people whose hearts are not impaired think they have heart disease. They mistake symptoms of other difficulties for indications of heart trouble.

Know your own heart. There need be little guesswork. In most cases your doctor can



determine its condition. If advisable he or the specialist may suggest the fluoroscope and electro-cardiograph to find out whether or not your heart needs to have its load lightened to prevent a breakdown. Today many men and women whose hearts are far from perfect are able to lead useful, active lives because they know what their hearts can and cannot do.

If your heart is normal, do not shorten its term of usefulness by overstrains or excesses. If it is damaged or weakened, live in accordance with your doctor's advice.

A thorough physical examination, at least once a year, may be the direct means of adding many years to your life. Send for the Metropolitan booklet "Give Your Heart a Chance." You are welcome to your copy. And, above all, don't postpone the examination you ought to have. Address Booklet Department 236-V.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.

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were to be used in flotillas, each boat able to carry and discharge one 21-inch torpedo, and the size of the flotilla was based on nothing more reasonable than the approximate number of these boats that could be built and armed then for the cost of one submarine. This worked out at about 24 Sea Sleds to the flotilla.

I took the whole proposal to Admiral D. W. Taylor, then chief of the Bureau of Construction and Repair, and Admiral Joseph Strauss, then chief of the Bureau of Ordnance, and presented this tactical problem:

If you were the captain of a new battle-cruiser and were proceeding out of harbor with a full complement of destroyers in attendance, and you were met by a flotilla of twenty-four 50-foot Sea Sleds, each capable of forty-two miles speed, and each carrying one 21-inch torpedo, what would you do? And what would the result be?

The Navy's Answer

The Sea Sled torpedo-boat was only 50 feet long with relatively little freeboard and capable of high speed. It formed a very difficult target for gunfire even in clear, moderate weather. In a fairly heavy sea the small torpedo boats could approach a battleship running down the wind, much of the time concealed behind the sea. In foggy weather they would, of course, be invisible and because of their size would be very hard to pick up at night with searchlights. The gunnery experts considered their relative invisibility in certain weather conditions, considered their maneuverability — the number of minutes or seconds they would be within certain zones of gunfire—and, in a month or so, said they thought that the battle-cruiser and the destroyers might sink nine of them.

"All right," we said. "What are you going to do with the other fifteen?" That was the question. They said that they thought that in the case of at least half the boats, the attack might not make good.

"Which would leave," we countered, "say seven 21-inch torpedos to reach the battle-cruiser. What would happen to a battle-cruiser if she were hit by seven 21-inch torpedos?" The assumption was that the results would be serious.

Both Admiral Taylor and Admiral Strauss considered that the boats should be developed and built and tested. But at that time the United States was not in the war. In November, 1914, I took up the question with the British admiralty and it was promptly turned down by the Inventions Board, who stated they knew nothing of this type of boat. Then I

suggested to Commander J. K. L. Ross that he build the first experimental Sea Sled that we could develop for torpedo-carrying, and he consented.

The first boat was 38' x 11' with steel frame and driven by four 160 h.p. Van Blerck motors driving quadruple surface propellers. She readily carried the equivalent weight of an 18-inch torpedo forward and went to sea and lived through very bad winter weather conditions in the open ocean off Boston.

Still the United States was not in the war and the British admiralty was not strongly impressed with the importance of any small high-speed boat carrying and discharging torpedoes. Finally Lord Aberdeen, whom I knew, was in Washington and I urged on him the importance, and in my opinion, the danger, of the development of this type of boat, and asked him to take it up with Mr. Balfour, then First Lord of the Admiralty. This got results, but still not directly for us. We sent to the admiralty the specifications for the 50-foot torpedo Sea Sleds. Boats were to make thirty-seven knots or 42.6 statute miles per hour. Engines were to develop at least 360 h.p. each and were to weigh approximately 2900 pounds each.

I am citing these details because these were the figures, based on our specifications, that Thornycroft gave the British admiralty when they proposed the development of the first torpedo-carrying Coastal Motor Boats, the C. M. B. of the latter part of the war. Thornycrofts had the resources and were able to develop the motors rapidly, while our licensee, the Murray & Tregurtha Company of South Boston, were struggling with the great six-cylinder Model J. Thornycroft used a development of their *Miranda*-type step-hydroplane built lightly, which was fairly seaworthy, but still not to be compared with our own type hull. We actually did not receive the orders for our first torpedo-boats until well along toward the end of the war.

In the meantime the Italian development began and Ansaldo built some 40-foot boats that I believe were capable of about a thirty-mile speed. It was with two small torpedo-carrying motorboats, each carrying two 14-inch torpedoes, that Rizzo and Pellegrini immortalized themselves one Sunday morning by meeting Austria's one remaining battle-cruiser surrounded by destroyers in the mist off Pola Harbor. Doubtless greatly to their own surprise, they torpedoed and sank the battle-cruiser; and then Rizzo, fleeing out through the starboard line of destroyers, was chased by No. 2 in the

line who got so close to the motor-boat that it could not depress its bow guns enough to hit him. Rizzo then rolled a depth-charge overboard which blew up under the destroyer, putting it out of commission.

In the terrific confusion that followed, Rizzo and Pellegrini got clear away without a bullet through either of them. No wonder the Italians developed a complex as to the value of small high-speed torpedo-boats. It is true also that d'Annunzio barged into Fiume with a little torpedo-boat, but this was more a spectacular than a tactical victory. *colony*

Inventor's Luck

So, then, went the development of the small high-speed torpedo-boat; originating, we believe, with ourselves. In the United States, after this country's entry into the war, the question was again taken up with the Navy Department and I was instructed to go ahead with the design of a boat, which was done. All torpedo details had been settled and everything was ready to proceed with the contract when the Secretary of the Navy decided to ask for bids, and the contract went to another firm for a V-bottom boat that was delayed over a year in appearing and then proved to be quite useless for the purpose. After this the order came to us and work was commenced, but too late to be completed before the Armistice. This, then, is roughly the story of the development of the early small, high-speed torpedo-boats, and the connection of the Sea Sled name with that development.

Now we believe that the whole subject is once more of increasing importance throughout the world. The small high-speed boat, carrying torpedoes and capable of maneuvering with great rapidity, remains most difficult to deal with by gunfire. It cannot be attacked by a torpedo. It is extremely difficult to hit with a bomb from the air for two reasons: first, that the small, fast-moving boat is practically an impossible bomb target; second, that a bomb can be seen on its way and no one in a high-speed boat is going to wait for it.

The boat is perhaps most vulnerable to large-caliber machine-gun fire from air-craft, but we believe can be fairly well protected with high-tensile light armor plate. More important is the fact that these boats, 50 or 60 feet long, can carry a substantial equipment of anti-aircraft armament and form fairly good gun-platforms.

We believe that the latest type Sea Sled hull, equipped with high-power modern motors and armed with tor-

(Continued on page 72)

Credentials

ONLY the rashest of mortals will risk the unknown. A tumble over Niagara in a barrel, for instance, or a stratosphere flight. Few of us are willing to rush in where angels fear to tread. We seek precedent for our every move—in the food we eat, in the clothes we wear, in the places we go.

The advertisements in this magazine are the signed credentials of firms which seek your business. They are not only letters of introduction, but pledges of faith. You may accept them because they mean that a lot of people have bought before you—and have been satisfied.

Before you run downtown, run down the list of things offered in the advertisements. See what interests you . . . what meets your needs without burdening your budget. Check and choose before you shop.

Combing the advertising pages in advance is a labor-saving, leather-saving device. In short, the people who regularly read the advertisements are getting the most for their money. And that's good business, any way you look at it.

THE PULSE OF BUSINESS

We subject our own index to searching examination, and then to revision in two items. Gains are notable in automobile production and construction contracts. Healthy advances elsewhere are numerous.

OUR INDEX this month covers activity recorded during the last two weeks of 1935 and the first two weeks of 1936. The reader will note several startling changes.

Every so often it becomes necessary to revise an index of this kind, for one reason or another; and at such times only is it customary to cast doubt upon the relative value of index numbers in comparison with a printing of the actual figures of production, carloadings, or sales.

• • Is it of any use to know, for example, that 98,000 passenger cars and trucks were produced during the first full week of January? Or should that figure be reduced to relativity? By our index-number system it is put down as 154 per cent of normal.

That brings up the question, immediately, what is normal? During six years we have seen automobile production drop from 5.6 million cars and trucks in 1929 to 1.4 million in 1932, and rise again to 4.1 million in 1935. What is normal?

Also, any well-brought-up index number usually takes into account the seasonal factor. Department-store sales rise in December. Anthracite-coal sales dwindle in April. An index number thus may be lower than in the preceding week when production has actually risen, such a situation indicating that production did not rise as fast or as far as it should.

Based on long-trend experience, automobile production should have reached its yearly or seasonal low in November. Instead, as many cars were produced in November, 1935, as in either May or June of that year.

Why? Merely because brain-trusters interfered with man's habit of buying cars for spring delivery. The annual automobile show, to be specific, was moved forward from January to November, and new models were turned out by the factory for dealers' showrooms.

Instead of less than 100,000 cars produced in November (this was the

fact in 1933 and 1934) our motor-makers turned out 375,000.

An index-number of automobile production would therefore have been shooting around 300 or 400 per cent of any recent normal. And since we allot automobile production a weight factor of 6, out of a total of 100 points, our general index would have registered a gain of one-sixteenth as much; say 20 points.

Business of all kinds would have been back close to normal! Merely because the automobile show was held two months earlier than usual.

• • SOMETHING had to be done. Our index surely was sensitive. So we

hastily shifted the "seasonal variation". Even at that, our index of automobile production has approximated 165 per cent of normal for seven weeks as we write these lines. It should now begin to decline.

The fact is that 375,000 cars were produced in November, against 80,000 in the same month of 1934; that 406,000 were produced in December, against 154,000 a year earlier. Then we remind the reader that not even in the peak spring months of 1932, 1933, or 1934 did production approach these levels.

Automobile production in our index, even after this revision of the seasonal factor, accounts for a rise of

GENERAL BUSINESS INDICES

	Weight Factor	Dec. 21	Dec. 28	Jan. 4	Jan. 11	Jan. 19 1935
Stock Sales, N. Y. Stock Exchange.....	2	49	48	46	46	23
Bond Sales, N. Y. Stock Exchange.....	1	124	104	90	94	91
Money Rates.....	4	15	15	15	15	20
New Financing.....	2	70	58	53	25	14
Bank Debits, N. Y. City.....	4	50	48	50	53	44
Deposit Circulation, N. Y. City.....	4	48	47	44	48	40
Index of FINANCIAL ACTIVITY.....	17	48	44	42	41	34
DISTRIBUTION						
Bank Debits, outside N. Y. City.....	10	81	78	77	78	66
Deposit Circulation, outside N. Y. City..	10	90	79	76	86	81
Merchandise Carloadings.....	11	77	76	70	67	67
Index of DISTRIBUTION.....	31	79	77	74	77	66
PRODUCTION						
Bituminous Coal.....	3	80	79	72	70	65
Crude Oil.....	3	116	115	114	115	103
Commodity Carloadings.....	8	72	69	63	61	57
Electric Power.....	7	80	79	110	113	71
Steel Production.....	9	77	74	70	66	59
Automobile Production.....	6	175	169	156	154	124
Construction Contracts.....	11	130	128	152	127	48
Cotton Consumption.....	5	85	90	95	98	79
Index of PRODUCTION.....	52	102	101	107	101	71
INDEX OF GENERAL BUSINESS						
	100	85.8	84.0	85.7	83.2	63.1

A COMPARATIVE record, for weeks ending with Saturday. The figures represent percentage of normal. The "distribution" items are all based upon an average for the years 1926-31; new financing, automobile production, and cotton consumption, upon 1927-31; and construction contracts upon 1928-32. All others use 1919-1931 as normal or 100.

Carloadings and coal data are always of the previous week. Electric power is adjusted for population growth, construction contracts for changing price level.

10 points in the final index of general business. That is, without automobile production's excess of 65 per cent over normalcy our final index of 83.2 would read only 73.2.

• • STICKING OUT like a sore thumb, also, is our index of construction contracts. This rose from 60 per cent of normal in the first week of November, to 88 per cent in the first week of December, and 152 per cent in the first week of January.

Is the depression over? The item of construction contracts was one of the laggards. Besides, it carries the heaviest weight in our entire index, 11 points out of 100.

The answer lies in the fact that government contracts are becoming a factor, and that residential building has at last become significant. Our basis is the weekly report of the *Engineering News Record*. For the five weeks last available the total value of construction contracts was \$345,000,000. For the same weeks a year ago the total was \$122,000,000.

Long-trend experience proves that contracts should be at or near their low point at this season of the year. Rising, therefore, when they should decline, gives an extra push upward to an index that recognizes seasonal variations.

At 127 for the week ended January 11, our index of construction contracts is 27 per cent above normal. Since it carries a weight factor equal to approximately one-ninth of the entire general index, the excess of this one item alone accounts for 3 points in the final index. Without it our general index of 83.2 would read only 80.2.

Taking the two items so far discussed here—automobile production and construction contracts—we find that if they were only at normal our index of general business would register 70 per cent instead of 83.

• • WITH THE beginning of 1936 we have seen fit to revise another item in our index, that of electric power production. Here the trouble was the other way around. Our index was running at about 80 per cent of normal, though the industry was attaining new peaks.

What, indeed, is normal in electric power production? The trouble was plain enough to those who fashion indexes. Allowance had been made for the normal growth of an industry that always had been reaching out into new areas and new uses. Surely electric power production had recovered. It had exceeded even 1929 heights. But it had not equalled gains that had been expected of it by statisticians who failed to count upon a depression.

There was nothing to do but revise our electric power index. We have determined a new normal, by using the precise weekly figures of the last seven years. Thus we find that electric power production during the first week of January, 1929 to 1935 inclusive, averaged 1607 million kilowatt hours. Actual production in the first week of this year was 1854 million. The result is further subjected, mildly, to predetermined trends and variations; and we find an index figure of 110 emerging for that week.

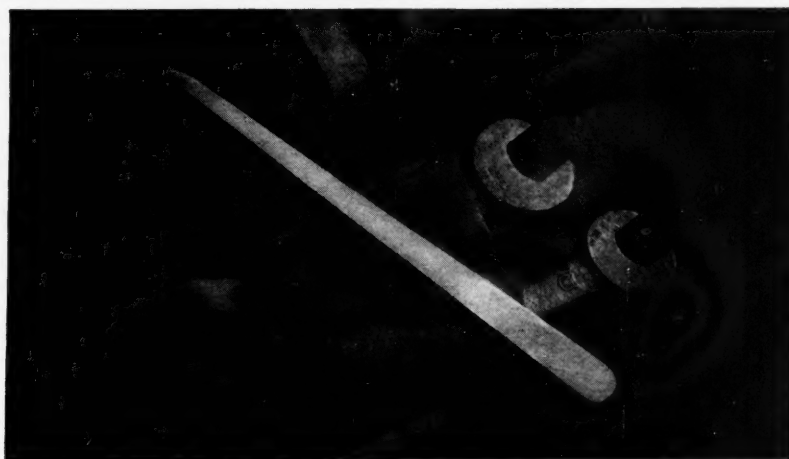
• • IN THE four weeks that lie before us (the last two in December and the first two in January) our

final index of general business has averaged 84.7 per cent of normal. A year ago, for the same four weeks, it averaged 63.3.

Stock sales and new financing have made notable gains, in the group recording financial activity.

Bank debits and merchandise carloadings account for the advance in the distribution group.

Coal, commodity carloadings, steel, and cotton consumption register gains in the production group in addition to the three items which we have discussed here at length: electric power, automobiles, and construction contracts. Production as a group is back to normalcy in our index.



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What You Want

(Continued from page 49)

method so inefficient and antiquated is continued.

Why not shatterproof glass for bank cashiers? Separate them entirely from customers. Passbooks and cash might be pushed in and out on a round glass tray operating like a low revolving door. Customers and tellers might converse through miniature telephone or radio apparatus.

I have seen everything but a medicine cabinet in the window displays of drug stores, and yet that seems a most simple and direct way of making a passer-by check up on his home supplies. Why not a plain mirror cabinet set against a tile background? Let ribbons from within it drop down to groups of products in the foreground, one group composed of toothbrushes, dentifrices, mouth washes, dental floss and pumice; another group made up of razors, blades, strops, brushes, soaps, brushless creams, styptics, lotions, talcums, etc.; and so on through the list of antiseptics, liniments, patent medicines, and what not. Then I would remember to buy the things that I am always intending to buy.

Westinghouse makes a small electric heater from which a fan forces warm air out into the room. It seems very little to ask that a switch be added, disengaging the heating element for summer use and perhaps giving a higher speed to the fan.

Last but not least, while winter grips us, I would whisper encouragement to cellophane and rayon makers in their quest for a transparent weaving material, so that the cooler season might not so fully enforce concealment of my secretary's charms.

Sea Sleds

(Continued from page 68)

pedoes, is a serious menace to the capital ship in battle today. The boats are now so seaworthy that they can stay at sea and can operate at night and in fog, generally in weather conditions when aircraft would be ineffective. But the outstanding factor is this: battleships and cruisers and destroyers take a long time to build, while these little boats, once a model is approved and standardized, can be turned out by hundreds within a few weeks.

Is not the Sea Sled torpedo-boat, capable of 50 or 60 knots in moderate weather, a menace in all naval fighting from this time forward?

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Does intuition, gossip, or sound judgment guide you in the purchase of bonds and stocks? Soundness of judgment is not a "sixth sense" but largely a matter of possessing complete and accurate facts regarding a company plus knowledge of the conditions affecting that company's future. Only continuous, systematic observation and research equip one to make sound investment decisions. Appreciating this all-important fact, the REVIEW OF REVIEWS, several years ago, sought out a man of trained financial mind and unimpeachable integrity to whom it might refer inquiries.

Investment Counsel

Investigate BEFORE you buy! Let this man, for a nominal fee, give you his unbiased advice. Typical of the inquiries turned over to him daily are the following:

"I would appreciate a report on Postal Tel. & Cable bonds 5s-1932 now in default of interest. I paid 37, now quoted at 36. Do you advise holding longer? What is chance of combining with Western Union?"

"Enclosed find check to cover analyses of U. S. Steel com.; Consolidated Gas; N. Y. Central; Amer. Locomotive; South. Calif. Edison; Pullman; Radio; Amer. Rad. & San.; and Amer. Sugar com. Please advise as to the possibilities of appreciation in value; dividend prospects; what legislation threatens or encourages; advisability of buying at present market prices; as to Edison, the probable effect of Boulder Dam; as to Amer. Sugar, the effect of AAA decision."

"Let me have a complete pedigree of United Gas Improvement. Is it due to go down because of timidity regarding holding company case? Do you advise selling?"

"Should I sell my A.T.&T. stock in view of govt. investigation and rate cases in various states? Do you recommend Deposited Bank Shares "A", and Affiliated Fund common, with eye to appreciation and also safety of principal?"

"I wish a list of four or five stocks suitable to keep about 5 years with good appreciation possibilities."

"I have 100 shares Curtis-Wright common, bought at 2 7/8 and 50 sh. Studebaker com. bought at 7. Should I hold, buy more, or switch to something else?"

"Please send analyses of Borg-Warner, J. C. Penney Co., Cities Service common, Pacific Gas & Electric, and National Biscuit."

★ Please remember that this magazine is not in the business of selling investment information, but is sincerely interested in serving its readers in the fullest measure.

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Dark-Horse Dickinson

(Continued from page 40)

Something similar seems scheduled to happen at Cleveland. The man who fifteen and even five years ago was leading the radical farm bloc within the party may be asked by all elements of the same party to unite it against the common foe.

I asked the Senator about his tariff views; and as he replied I exclaimed, involuntarily, "You sound like William McKinley."

He replied, with sober conviction, "I am (he might have omitted the words 'just like', though he did utter them) William McKinley. There is no other sound policy for this country than a tariff high enough to protect the American workman and the American farmer at all times against vicious foreign competition. I am against all these secretly negotiated trade pacts. Why dilute our national strength in standard of living with the weakness of other nations? I am not friend enough of all the world for that."

Suggestion of McKinley raises a possible analogy between the Republican candidate of forty years ago and Dickinson, for McKinley's record in the House was not unlike that of Dickinson. That record, as a practical legislator who championed successfully a dominant American ideal, was the basic reason for McKinley's choice as standard bearer in 1896—the record, plus geographic availability and personality.

Dickinson, too, is geographically available, coming from a doubtful state which is behind him and being surrounded by doubtful states where he is strong. Also he is magnetic, much as was McKinley. If you once meet or hear him you never forget.

Another pre-convention analogy in American politics occurred in 1880. Grant dominated that convention with 360-odd votes, and a so-called dark horse, James A. Garfield, got the nomination. Yet he was not really a dark horse; he had been on every ballot from the first. Why was he chosen? Because he was not offensive to the followers of Grant. Because for sixteen years he had demonstrated on the floor of the House that he was a masterful politician, a constructive thinker, and that he could deal with legislation practically. The party, like the nation, was tired of dealing with abstractions. Garfield, too, was a Senator.

It may well be that the dominating influence in the 1936 convention, analogous to that of Grant in 1880, will be Herbert Hoover. Just as well it may be that the Garfield of 1936 will be Dickinson. The delegates probably will turn to the seasoned

champion evolved out of the soil of the Mississippi basin. Conservative enough for safety. Progressive enough for advancement. Anti-New Deal enough to take apart the occupant of the White House and show what makes him tick.

After the convention all similarity between this year and any other will cease, for 1936 is to witness one of the great political contests of all history—a knock-down-and-drag-out affair, no quarter asked or given. Who can lead such a fight except a two-fisted slugger?

I asked Senator Dickinson what he thought about the recurrent expression that the coming campaign would be the most important since 1860.

He replied: "My father served in the Union army from 1861 to 1865. So I grew up in an atmosphere of war memories. The crisis which culminated in the Civil War threatened the existence of our government as originally conceived, and as that war preserved it, but that crisis did not threaten our civilization.

"This war we now are in—this political contest of 1936—strikes deeper. It goes beyond the menace conquered by the Civil War, for it strikes at the very roots of American civilization of which our form of government is the mold.

"If the Civil War had gone the other way we would have been two nations, with the prospect of becoming three or four or a dozen. That would have been national disintegration—a calamity. Yet the social and economic life within those governmental structures would have gone on, similar in each.

"How much greater is the menace today? The contest now is: American civilization against the weight of society's mistakes, accumulated in the past and multiplied in the present. Can our civilization triumph against this menace?

"In a nutshell that is what we are up against, that and nothing else."

The shadow of Dickinson has fallen across the Department of Agriculture and is creeping up on the White House. The President knows who he probably will have to meet out there on the bloody sands next November. He has said that he is confident he can lick Dickinson. But can he?

The man who wrote that first editorial, "Whonell is Dickinson," is gone. But his son, G. S. Bailey, now has another Iowa paper, the *Waukon Republican and Standard*. I asked him what the folks out there think now.

"We're for Dick," he replied. "We know personally 'Whonell' he is. Those who don't know will find out."



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**HAWAII**

The upward trend of travel in the Pacific points to a record-breaking year for Hawaii and the South Seas.

EASTER VACATION

TRAVEL SUGGESTIONS

It is easy to advance the coming of Spring by meeting it half way at one of any number of pleasure spots. Early reservations are advisable, since 1936 will be a "travel year."

EASTER is an ideal time of year to take time off from cares and trials of business and bother. If you have children in boarding school or college, their spring vacation generally comes at that period.

You'll probably find Bermuda getting the heaviest Easter traffic, for April in Bermuda is "in season". This little island in the Atlantic, 40 hours out of New York by steamship travel, has long been a favorite haven for people from all parts of the world. It is the shortest oversea jaunt from New York to a foreign land. Very British it is, one place that still has a flavor not spoiled by this modern age. Everything is leisurely, automobiles are taboo, travel is by horse and carriage, cycling is one of the favorite pastimes. Golf, tennis, swimming, horse-back-riding, fishing, and many other activities will keep you busy, healthy, glad-you-came.

Cuba, especially Havana, has always had exotic glamor about it, a flavor really foreign. Birthplace of the rhumba; long noted for its popularization of the lightning-fast game of jai-alai; cock fights and other attractions have given it the best-known name of the islands in the West Indies group and made it chief port of call for all cruise ships. There's a feeling of age about Havana that has been preserved since the founding in 1519. Just a few of the sights to be seen are famous Morro Castle, the splendid cathedral that for so many years contained the tomb of Columbus, the sixteen-century Dominican convent, the new presidential palace, and La Fuerza fortress which once served as a buttress against attacks of roving buccaneers.

The markets and parks should also receive a portion of your attention. Then of course you'll go to the races along with everyone else, gamble or go to watch them gamble at the Casino, no doubt end up at one of the night spots which are sprinkled over Havana. If you've never been there before, better go to Sloppy Joe's, famous bar that the Yanks hear so much about.

Nassau, capital of the Bahamas, lies only a short distance from Miami. It has everything to offer in a recreational line, climate, sport facilities, and beautiful Paradise Beach.

Many cruises stop in Miami on the way, which gives you an excellent chance to run over to Miami Beach and see sights.

Another well-known spot is Jamaica, which lies a little south of Cuba. It is extremely mountainous and the coast is indented with harbors and bays. Kingston, capital city, is port of call for cruise vessels. Under British rule, this is the largest

English island in the West Indies group. One is impressed with the neat and orderly streets and the big market places. In the center of the city are the attractive Victoria Gardens and the nearby Parish Church, founded in 1700, full of historical data. If you take advantage of your stop there, you can take motor trips by bus into the interior.

Other islands are: Haiti, famous in olden times for being a Negro republic whose generals checkmated the great Napoleon; Puerto Rico, a progressive community with U. S. help; others which form an unbroken chain to the South American shore, interesting as a group.

Normally the first places in South America you'll see are the Guianas, three European colonies on the mainland of South America, under British, French, and Dutch control. Georgetown, principal port of British Guiana, is an interesting tropical town with wide modern streets and a Museum of Natural History that makes interesting visiting with its fine collection of native specimens and Indian relics. Paramaribo is at the mouth of the Surinam River in Dutch Guiana, and is capital as well as chief port. Its population is very much of a melting-pot composed of Europeans, Negroes, East Indians, Malays, Chinese, and Japanese. Of particular interest are the brilliant bazaars and markets. Cayenne is the port of French Guiana.

Venezuela is another favorite haunt for cruise enthusiasts. There are a number of ports worth seeing, the best known of which is La Guayra. It is connected with Caracas, Venezuelan capital, by a fine motor highway, a sight not to be missed with its hairpin turns and meanderings

through and over majestic mountains. Puerto Cabello, another port of visit east of La Guayra, is within reach of Valencia, old capital of Venezuela. This territory is full of scenic sights, natural resources to awe you.

Colombia was one of the first parts of South America to be visited and colonized by Spaniards. An unusual feature is that it has a coast-line on both Caribbean and Pacific waters. Cartagena, chief port of call, is one of the most intriguing cities of the old Spanish Main. Its history reaches back to days when it was attacked by Sir Frances Drake—1585. Other ports visited are Santa Marta, an important banana clearing-center, and Bogota, capital city with a population of half a million. There are sights throughout Colombia of Old World charm coupled with hustle and bustle.

Swing on through the Panama Canal Zone to Mexico. The canal is some fifty miles long and can accommodate largest ships afloat. Army settlements at Ancon and Balboa are interesting, as are the towns of Colon and Panama. The markets and bazaars intrigue you.

Costa Rica, Central American republic, is just north of Panama, and is best known for its splendid mountain scenery and vast areas of coffee and bananas. Port Limon is chief spot of call. From there various excursions may be made into the interior, and one of especial intrigue is that to San Jose, a picturesque city of 50,000 people. It is in the mountains some 5000 feet above sea level.

And now Mexico. Your boat will land at Vera Cruz or Progreso. Or you may travel by rail to Mexico City, one of the best known tourist centers on the North American continent. Lying in a great val-

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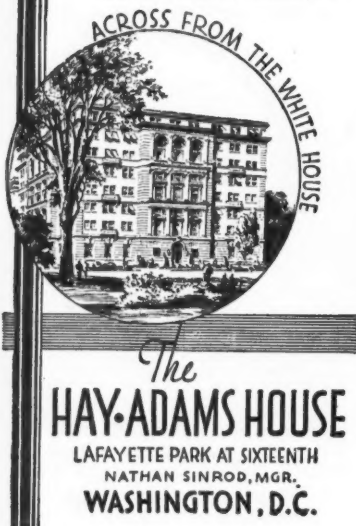
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ley, some 7000 feet above sea level, it has one of the most perfect all-year climates. Public buildings should not be missed, set in the middle of beautiful public squares. The first bull fights in America were held in Mexico City in 1526. Take in one, for aside from the actual fight there is a pageant air that will thrill all who enjoy atmosphere.

A trip that has long been popular particularly with west-coast travel fans is a visit to the Hawaiians. There are a number of cruises around Easter time, of various lengths. Honolulu is foremost port in this group, a thriving city full of modern conveniences. Spend some time there exploring, taking in life, markets, stores, and surrounding plantations, not to mention the night clubs, the gay hotels and cafes, Waikiki beach by day and night, and that hula. You will find the climate much to your taste, and surf-bathing is perhaps the best to be found anywhere. You'll no doubt try to learn to ride a surf-board. Paradox is that it looks so easy! While there you'll want to take trips to surrounding islands, and also into the interior around Honolulu, especially up into the hills.

Within Our Borders

And now, in conclusion, a few pleasure spots here in our own country. In the east there's Florida, which needs no explanation. Any travel agency will be glad to plan for you. There are the Carolinas, Asheville with its mountains, Southern Pines, Pinehurst, and others for golf and hunting; beautiful Charleston with its crooked streets, old churches and drawling blacks, almost the last of the Old South. In Virginia: Virginia Beach and Hot Springs, while nearby is West Virginia's White Sulphur Springs.

New Orleans. . . Anytime at all in New Orleans is vacation time. The old French center, restaurants with their Creole cooking, such exotic attractions and many more are awaiting you. Beautiful, historic Washington, with its Easter egg hunt on the White House grounds! New Jersey's Atlantic City, an Easter haven eager to furnish fun-filled days and nights.

And last but not least, California—where local sons never tire of talking about God's Country. And lest you forget, San Diego Exposition reopens in February, 1936!

So we leave you with a wide scope in planning where to go and how to get there. Any travel agency, railroad station, bus depot, or airport will be glad to help you with arrangements. So whether by motor, rail, bus, steamer, air: Happy Landing!—BUCKLIN MOON.

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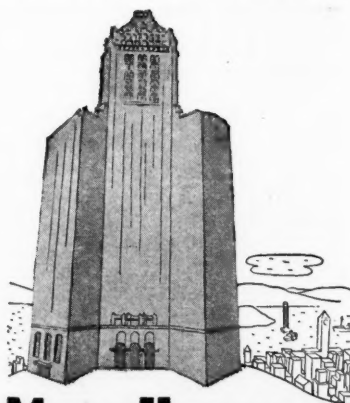
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GEORGE D. SMITH GENERAL MANAGER

Middle West

(Continued from page 46)

The Democratic state administration has been hurt by messy scandals in the new state liquor vending system. Changes in personnel on the state ticket are possible. Even so, the state ticket is not expected to be any asset to the national ticket this year. It may find it handy to ride on F. D. R.'s coattails.

Townsenditis is running its second fever in Iowa. A few Republican politicians who like to flirt with fire have been "kidding it along".

By all odds the most effective appeal that opponents of the New Deal can make to Iowans, especially farmers, is the appeal to inherent caution about the mounting debt.

It is uncertain whether WPA is, at this stage, an asset or a liability to the Administration. There is not in Iowa any important response to the constitutional issue, though the ruling on AAA may alter that. NRA was generally detested.

Economically, Iowa has made large gains. Increased agricultural buying power—due much less to the "flood of AAA checks" than to higher crop prices—is the cause of the recovery. The state's total farm income in 1935 must have been approximately \$500,000,000, as against perhaps \$400,000,000 in 1934 and \$275,000,000 in 1932.

This new buying power has translated itself into statistics like these:

New car sales in Iowa, for first ten months of 1935, up 65 per cent; in nation as whole up 40 per cent.

Bank check transactions in eight major Iowa cities, same period, up 25 per cent; up in nation 10 per cent.

Life insurance sales in Iowa, same period, up 6 per cent; up in nation 1 per cent.

Electric power consumption, first nine months, up in Iowa 21 per cent; up in nation 7 per cent.

And so on. Christmas retail selling was gratifying. More of Iowa's gain in farm purchasing power will go into the satisfying of consumer wants in 1936 than in 1935, because debts have been reduced, taxes paid, and delayed expenditures for sheer "maintenance" to some extent made.

It may be added that while the state is hardly to be argued away from its belief that a concrete and effective government policy comparable in effects to AAA is necessary, even the collapse of AAA will not, in the opinion of the farm experts, have a serious effect on Iowa economic conditions in 1936. The supply-and-demand situation, whether credited to AAA or not, is obviously favorable now; and farm production cycles are such that no new glut can be created at least until next year.



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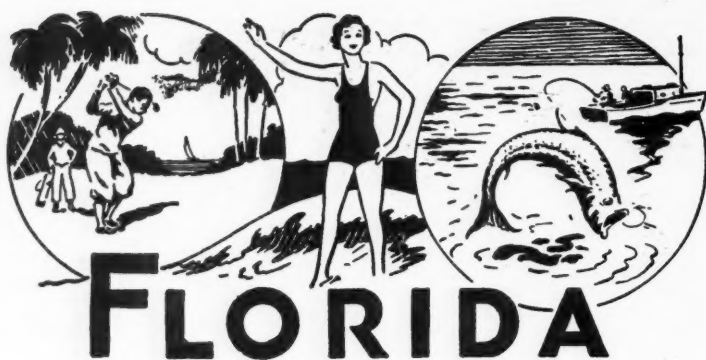
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All are fine hotels of modern fire proof construction offering the comforts and facilities for which Florida's first class hotels are famous. Excellent cuisine and service. Delightfully and conveniently located. For reservations, literature or rates inquire at Travel Agencies or write direct to hotels.

FLORIDA-COLLIER COAST AND ASSOCIATED HOTELS



Filipinoland

(Continued from page 59)
ning to establish deposits elsewhere. The flight of capital is on.

Some of the hardier business men feel that if an immediate show-down is forced, the worst will be ended. Instead of ten years of doubt as to the ultimate fate of the islands, they say it might be a good idea to have the United States cut the painter at once, and see what happens. Such a sentiment was voiced to me by Leonard K. Moore, president of the *Sugar News Press*, some time before I left the islands.

"Quezon and his friends," he said, "have been flaunting the banner of independence in front of us for years. Why wait ten years more? Responsibility and authority can't be divided. Quezon should certainly not have free rein over the island government while the United States has the responsibility for defending it. The United States either should stay in or get out. It should keep the full authority which goes with responsibility, or surrender both together. Of course, if the flag departs, all the personal fortunes of my friends and myself are very likely to be swept away, except what we can take with us. But we might as well have the decision now as ten years from now."

Accompanying the anti-independence drive which will begin in the islands shortly, there is bound to be considerable big-business propaganda in the United States. The islands undoubtedly are an untapped economic treasure, and all their potentialities will be held up to the gullible American people.

Statehood Ambitions

American and Spanish business interests, pressing for a modified statehood within the American tariff wall, can point out that the Philippines now stand eighth in the list of countries consuming American products, whereas Cuba stands fifteenth. They hold that they are being sacrificed at the instigation of American interests in Cuba. They will therefore stress the fact that their 14 million people offer a far greater market for American produce than Cuba ever can, with its 4 millions, and that their island resources are infinitely richer.

Already they are asking whether the American people are going to sanction the doctrine that Congress, in a time of peace, without external pressure, can give away a rich part of the conquered national domain. They will not permit the so-profitable islands to be cast adrift without a greater fight than the Philippines yet have experienced!

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MORE AND MORE ANNUITIES

WHO BUYS THEM? WHAT KINDS ARE THERE?

LIFE INSURANCE authorities have noted one feature of the depression which is not so obvious to outsiders. It is the rising popularity of the annuity. Insurance proper rode the storm well, and held its own when other forms of business suffered severely. At the same time annuity business grew fourfold in five years.

In its simplest form an annuity is the purchase by an individual of an assured income for his later years. That income begins at some moment of his own choosing, usually between ages 50 and 70. Since the number of annual payments he receives depends upon the number of years he lives, and since the cost therefore is based upon life-expectancy tables, the annuity comes properly within the field of life insurance.

In insurance the payment is made contingent upon death or maturity. In an annuity payments are made during one's lifetime and cease at death. Therefore, in the simple form of annuity, there is no medical examinations. Insured persons as a group live longer than uninsured persons. This is not remarkable, for the insurance door is open only to the physically fit. In the same fashion it is not strange that the annuitant lives even longer than the insured; for why should the middle-aged one in poor health wish to provide against old age?

Lessons taught by the depression made the moderately well-to-do want to buy annuities, and still greater demand was noted when it became difficult for an individual to invest money safely at an interest rate comparable to that offered by insurance companies. Savings banks in New York, for example, now pay only 2 per cent in deposits which, however, are subject to demand withdrawal; but the leading life insurance companies allow 3 per cent interest in computing annuity rates.

The rise of the annuity in public favor has been a problem to most of the companies. First, it was easier to sell than insurance during depression years. Annuity premiums that were 4.2 per cent of total premiums in 1930 became 10.9 per cent in 1933 and 16.5 per cent in 1934. (The figure for 1935, based upon studies by the Life Insurance Sales Research Bureau

is not yet available.) Sales managers are instructing their men to devote their main energies once more to life insurance.

Second, the companies found difficulty in investing at reasonable rate of interest funds so suddenly placed in their care. Reductions in the interest rate have been resorted to twice within a year; that is, the rate of interest used in the actuary's computations. Such a reduction means a smaller annuity payment for the same premium. The size of the annual payment offered by the company is determined by (a) probable period for which payments will be made, and (b) interest the company expects to earn on the sum intrusted to it.

For each \$1000 placed in its care now, by a man aged 65, an insurance company will agree to pay him \$93.33 every year, no matter how long the man may live. It offers less to a woman, for women live longer than men. These are the single-premium immediate annuity. If the man is only 50 years of age, he will be paid \$61.16 each year, because the younger man will also live longer. Suppose the man wants to guard against the loss of part of his principal. That is, he may die shortly after the payments begin and long before he has gotten his \$1000 back. The company therefore usually offers a cash-refund annuity for a lesser amount, agreeing to pay over the unused portion to his estate.

For a man seeking to provide for his wife as well as for himself, there is a joint-and-survivor annuity, guaranteed to last until both have died. The annual payment is lower, for the span of two lives will likely be longer than that of one.

Illustrating the innumerable variations offered in annuities, note that this joint-and-survivor contract may

be obtained so that a larger sum is received while both beneficiaries are alive. For example, instead of \$1000 payable annually as long as either shall live it may be arranged to have \$1200 while both are alive and \$800 after one has gone. This would be done by a joint-and-survivor annuity of \$400 and an immediate annuity of \$400 in addition on each life.

The simple form of annuity assumes that the purchaser lays down the money in one sum. Ninety per cent of all annuity premium income, with the average company, is currently from this single-premium type.

Very popular with the younger is the deferred or retirement annuity, to provide an income in the future. Under this plan the purchaser buys the contract in annual instalments. He pays in for a given number of years, and begins to draw out at some age of his own choosing; the longer he waits, the larger the subsequent annual payments to him.

These annual-premium annuities are most sought after by professional people—dentist or schoolteacher for example—whose earnings exceed their current needs and who are usually modest about their ability to invest wisely. They may be made to include insurance, and the option of settlement may be postponed to retirement age.

At 65 a policy whose face value is \$10,000 may thus offer you the following alternatives, the exact amounts perhaps varying slightly according to the company selected:

\$81.60 monthly as long as you live.

\$71.60 monthly, with a guarantee of ten years' payments to you or your estate.

\$64.60 monthly to you and your wife jointly, if she is about your age, and \$43 monthly to survivor for life.

A paid up policy for \$10,000 payable at death and \$2660 in cash.

\$10,000 cash.

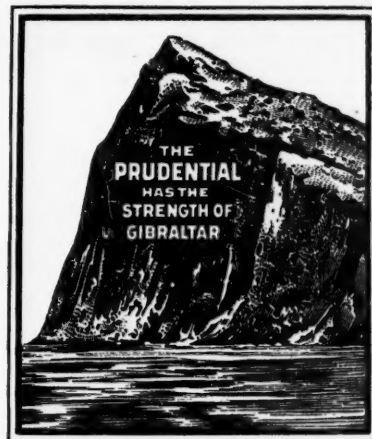
The principal annuity-writing companies, in the order named, are: Equitable Life of New York, Metropolitan Life, New York Life, Prudential, Sun Life of Canada, Penn Mutual, Massachusetts Mutual, Mutual Life of New York, Travelers, Union Central, Canada Life, Aetna Life, Pacific Mutual, John Hancock, Phoenix Mutual, Provident Mutual, New England Mutual.

How Annuity Business Has Grown

(New premium income)

1930.....	\$ 67,220,000
1931.....	138,878,000
1932.....	97,109,000
1933.....	177,385,000
1934.....	296,428,000

*A word with
those who have
no children*



You who are without children need to make
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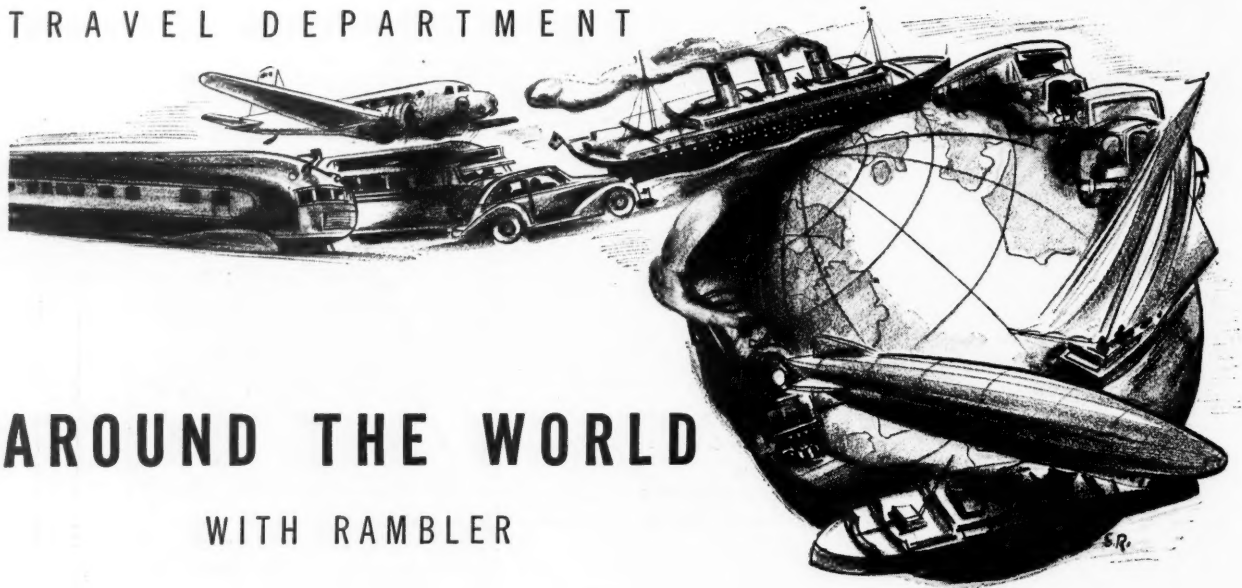
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TRAVEL DEPARTMENT



AROUND THE WORLD

WITH RAMBLER

Go West, young man, go West—to go East.

That's what Horace Greeley might have said had he foreknowledge of the enormous increase in tourist travel to the Orient—21 per cent in 1934 over 1933, and more in 1935, although figures are not available.

Obviously there's a reason for such an increase; and the answer is equally obvious. The early pioneering tourists, if such they may be called, were regarded somewhat in the light of heroes. As travel became more popular, so it was realized that in travel one was rewarded with more for one's money than in any other form of recreation or vacation activity.

Were not travel costs brought down to a basis whereby it was cheaper to travel than to live at home? Hence—why live at home? So, from the short cruises-to-nowhere of recent times, which brought to travel a revival like oxygen to a dying man, popular fancy turned to lands afar. Lands—foreign territory—which were well-nigh inaccessible to the average man of average means, but which today have come within reach of even a slender purse.

So with the Orient, where, with due regard for Kipling's "East is East . . ." and all that sort of thing, the twain do meet, and to mutual benefit.

Where once it was a family epic to

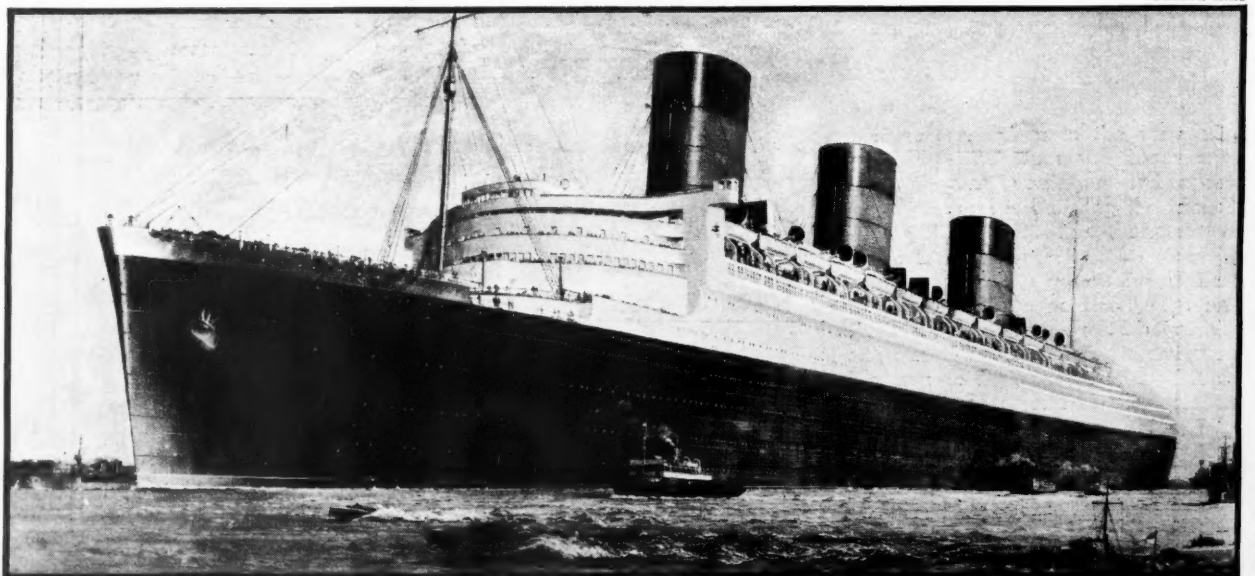
take in Old Faithful in Yellowstone National Park, today's trend is to do that same thing en route to a flight over Sacred Fuji or the Yangtse River regions.

* * *

Mid-Pacific America

On their way west, travelers who do the right thing make it a point to tarry awhile in mid-Pacific America's vacationland, Hawaii. And the number of people who are doing the right thing here is attested to by the fact that records for 1935 show more visitors to Hawaii than in any year since before the depression. Advance bookings indicate a probable new peak for the year 1936.

Cunard Line



SUPERLINER

The designation of the "Queen Mary", 83,000 tons, as a cabin ship by Cunard White Star Line has resulted in a reclassification of all North Atlantic liners. "First-class" disappears, all ships, big and small, now belonging to the democratic "cabin" class.

Some people don't like this kind of Vacation...



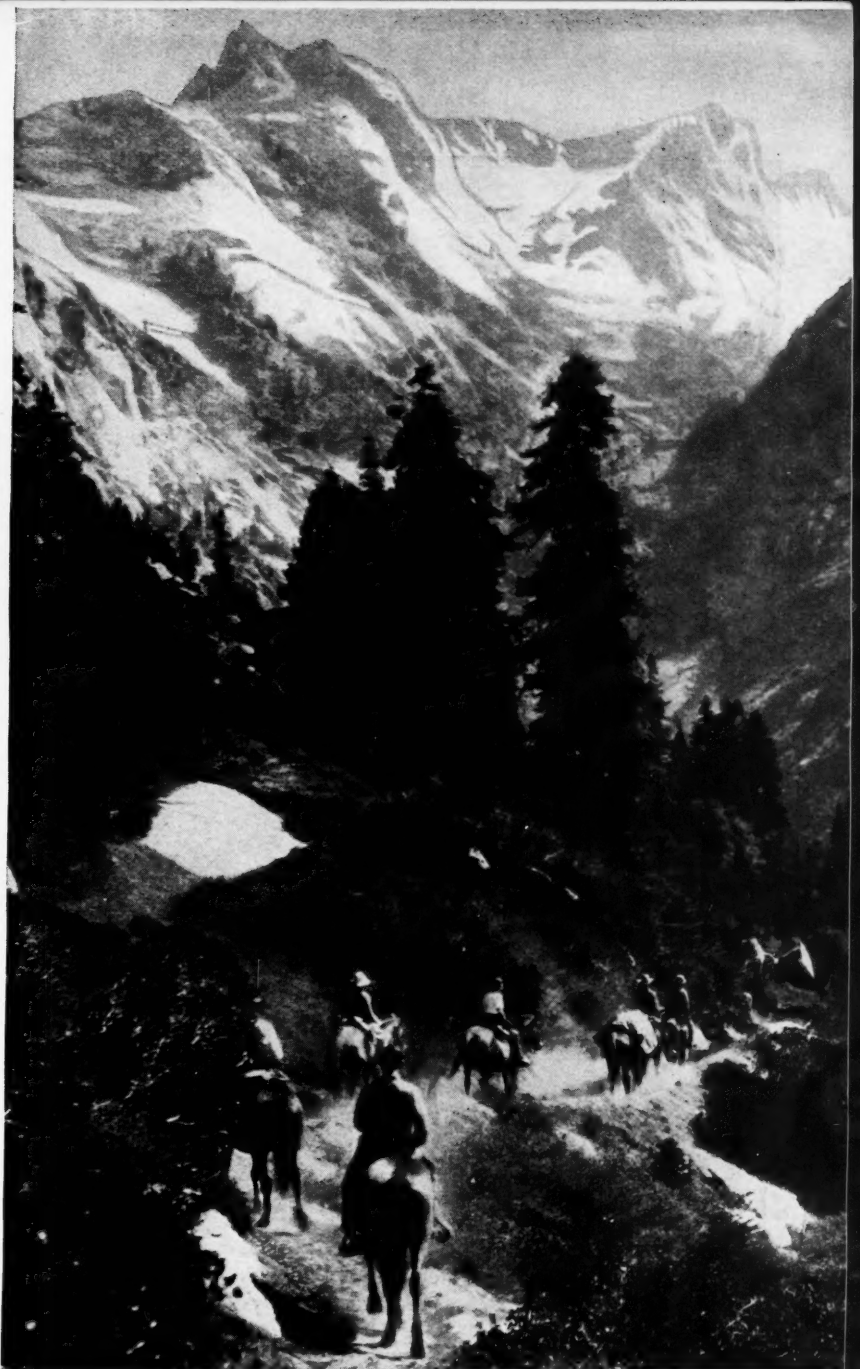
THE tangy air of the snow-capped heights... the scent of sage and pine and saddle leather... the tug of a hungry trout... these things, to some, are all that a vacation need include. To others, they're as nothing compared with the thrill of a surf-board glide, the lift of a wave and snap of a bellying sail, the tingling shock of a plunge in the foaming surf, or lazy relaxation on the sand.

Curiously—and fortunately for the domestic peace of vacationing families,—Nature has blessed Southern California with *both* mountains (including Mt. Whitney, the nation's highest; the lowest U. S. point also is here) and an ocean, with pleasure islands an easy sail offshore.

But perhaps neither mountains nor ocean fills all your vacation requirements. Then let us mention still other things Los Angeles County and its neighbors offer you this summer: Sports, for example—golf, tennis, polo, riding, hunting, auto races—your favorite, whatever it may be. A summer average temperature of only 69.4°—clear, rainless days; nights cool enough for blankets. Fascinating industries—citrus, oil, movie-making and shipping. Daytime and evening thrills in pleasure-loving, celebrity-filled Hollywood. The foreign flavor of palms and orange groves, ancient Spanish Missions and nearby Old Mexico. Light-hearted hospitality of world-known resort cities like Los Angeles, Pasadena, Long Beach, Glendale, Beverly Hills, Santa Monica, Pomona and fifty others.

All these and other things will mean, we think, a vacation you'll always remember. And they're only overnight, even from New York, by plane; 3 days by train, 5 to 7 by auto, 2 weeks by ship via Panama. Transportation expense needn't worry you, for costs while here are 18% less than the U. S. average; far less than the "peak prices" necessary in many resorts confined to one season.

Maybe you prefer this



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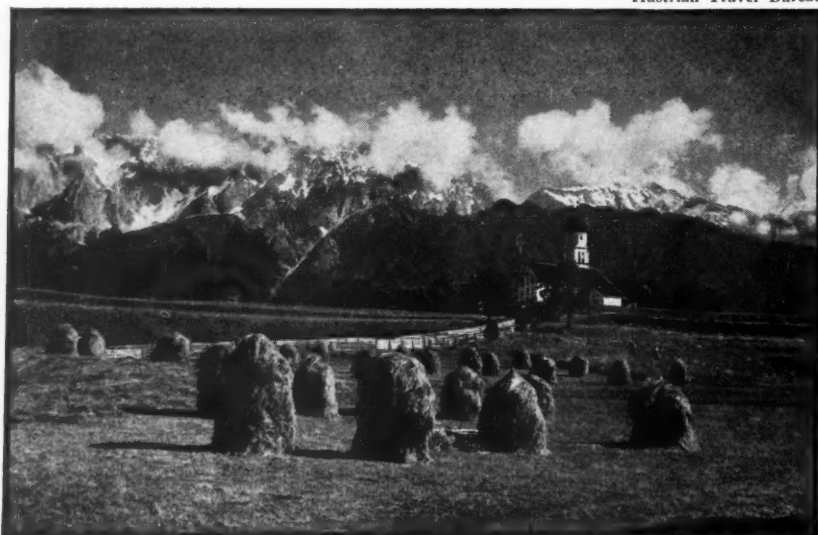
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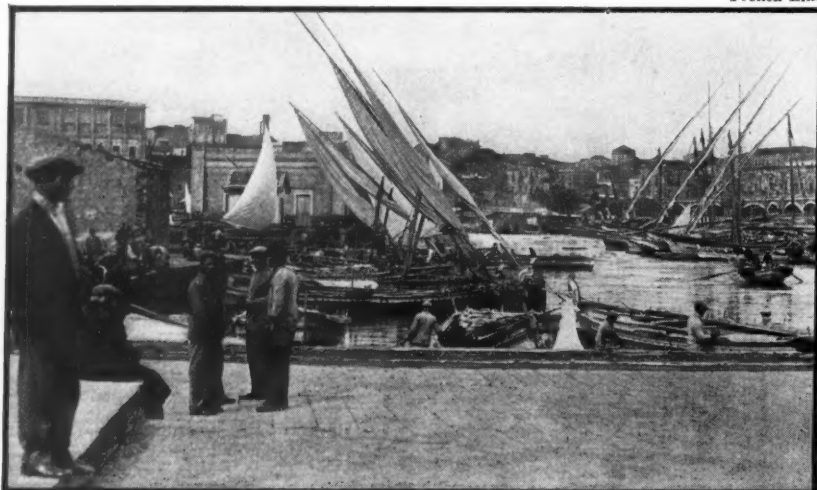
City State





TYROL *Here is the mountain land of heroes, of short leather pants, and of highly Teutonic cheer and beer. Church, snow, sheaves!*

French Line



SICILY *Italian fishermen of this famous island in the blue Mediterranean keep busy and happy despite the war in Africa.*

By Margaret Willis, from R. I. Nesmith



DEVON *A hamlet in Devonshire is 100 per cent English in the most charming and pastoral sense of the word. Note the eaves.*

Nullification of distance by modern transportation is now so commonplace that it seems almost trite to mention that Hawaii is no longer far. From New York to Pacific coast ports is only 77¼ hours by rail or 19½ hours by air. Luxury liners of the Matson Navigation Company, as an example, take you from San Francisco or Los Angeles to Hawaii in four and a half days. Far—?

Yet despite this nearness the romantic lure of Hawaii remains unchanged.

At Waikiki, rapidly becoming one of the most popular of American beach resorts, foam-crowned surf rolls in, warm and inviting, in January as in July. Before their onward rush speed surfboards and native canoes loaded with thrilled visitors.

Beneath gay sunshades or under the full beam of the mellow sunlight, the sands are thronged with seekers of tan, relaxing in the carefree atmosphere of this ocean playground.

Smooth motor roads wind between spectacular landscapes or verdure-clad mountains. Bridle paths mount forested slopes and cross wide, bracing plains. Sleek golf greens, incredibly beautiful, lie between sea and mountain, framed in palms.

Primitive Civilization

Honolulu, where American enterprise has implanted the comforts and conveniences of modern civilization in an environment still tinged with primitive beauty and free from the disadvantages of that civilization, is the gateway to further vistas that enchant the traveler.

There are the outer islands, each with its gift of beauty and interest, from the vividly colored canyon of Waimea on Kauai, and the vast burnt-out crater Haleakala on Maui, to the living, lava-belching volcanoes of Hawaii Island.

Here one drives to the very edge of the pit wherein the earth spits fire and gazes in safety on the process that built and is building the islands.

Hawaii, too, is the threshold of lands farther south.

Many travelers go on from there to Samoa, where golden-brown natives live much as they did before the ships of the white man crossed their horizon; to Fiji, where frizzy-haired grandsons of cannibals play cricket with British enthusiasm; to New Zealand, land of smiling English country-sides, of awesome mountains and glaciers, of tattooed remnants of once fierce Maori tribes; to Australia, great southern continent of vast deserts and strange forests, of populous cities and rich mines.

Spring in America is autumn in Australia; the racing season is in full swing and the land is gay with out-

Romance!
Thrills!
Surprises!



Someone has said there are more guitars than shoes in old Guanajuato. That may be a gross exaggeration, but Guanajuato *does* offer escape from our break-neck, materialistic existence. On your very next trip to Mexico visit this romantic, historic, colonial city.

ONLY BY RAIL. The Mexico you'll enjoy most is far enough from tourist throngs and auto roads to be "unspoiled," yet may be reached quickly and comfortably by rail. Ask any travel agent to quote low all-inclusive side-trip rates to Guanajuato, Uruapan, Lake Patzcuaro, Jalapa, the *lithmus* of Tehuantepec—Guadalajara, Oaxaca.

Write today for booklet 26 describing Mexico's thrilling byways.

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* * *

Hon. Jap Makes Hon. Grin

But about the Orient. . . .

Hon. Mr. Nippon, to give him his new official name, is chuckling in his kimono sleeve. A 21 per cent in-crease in foreign visitors in itself is enough to smile over. But that's only the first blush. He's now taking fly leafs from Hon. America's progressive travel ideas. For instance:

Under way at the moment is the first of a series of air-travel itiner-aries to be introduced on an Oriental tour. It might have been termed "Wings Over the Orient". Instead, it is called a Tour Moderne, and links steamer, rail, and plane for a three-weeks' jaunt in Japan (Nippon, that is), China, and Korea.

Sponsored by Nippon Yusen Kaisha (Japan Mail Line) in coöperation with the American Express Com-pany, the tour begins and ends at Seattle, with Honolulu as the last port of call on the way home.

Not having made this aerial jaunt ourselves, we leave it to Claude Har-mon, traveler of note in the Orient, to give us the highlights. Says he:

"Use of the airplane begins at Fuji-yama National Park, whence the visi-tor is taken up about 13,000 feet for a flight over Sacred Fuji. The scenic portion of the flight starts at Doro Hatcho, where, from the take-off, the plane circles the five beautiful lakes known as the Sacred Mirrors, in which is reflected the atmospheric mood of Japan's symbol of mountain grace.

"Viewed from the air, the lakes ex-hibit the faultless reflection of the majestic cone of Fuji.

"That wonderful sight of plum and cherry blossoms which decorate the slopes is seen from above the Scenery Cliffs on the Kii Peninsula, with the flight solving the age-old riddle of the optical illusion of 'Floating Fuji' as seen from across Lake Motosu.

"The flight from Shanghai to Chungking opens up to the visitor for the first time the inaccessible re-gions of the junk-dotted Yangtse River. On this part of the flight the plane is flown at low altitude to en-able its passengers to see the 'track-ers', those human power plants of China, pulling water barges up the mighty stream.

"Then follows a 200-mile flight over the Yangtse Gorges interspersed with millions of grave mounds that date from the days of ancient Cathay and the Middle Kingdoms. Seen from above the busy commerce of the river resembles a festival display of China's history of shipping.

"From this point the tour takes you to Mukden and Dairen, thence



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These famous mines have been pushed down more than a mile and a half—with scientific air conditioning devices to facilitate operations at even greater depths.

The mountainous white pyramids of soil dug out of the earth, the great head-gears and smokestacks of this modern Golconda, are wonderful to see.

Wonderful, too, is Johannesburg—a center of art and education, of industry and commerce, sport and recreation, a city of abundant sunshine and exhilarating climate.

Plan now to take the glorious South African tour and visit Johannesburg's "Empire Exposition" in September, celebrating the fiftieth anniversary of the "City of Gold."

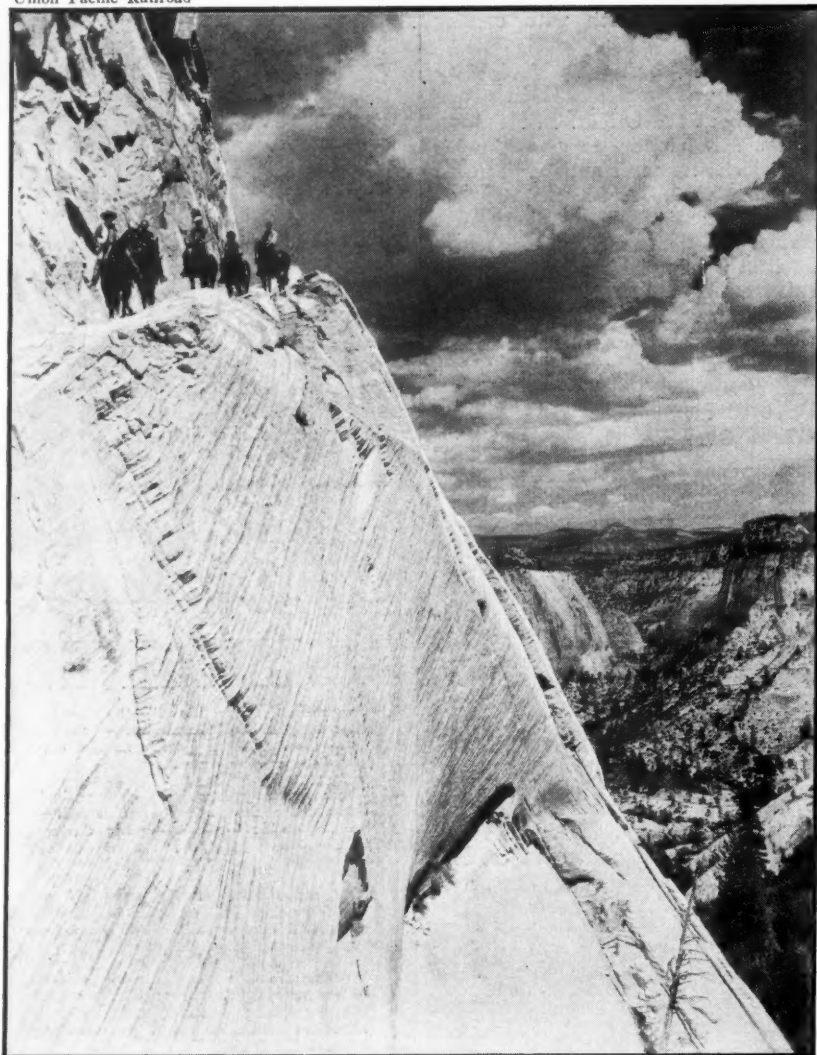
And see also Victoria Falls, the Zimbabwe Ruins, the great Kruger game preserve, the Congo Caves, the "Garden Route"—and other thrilling and fascinating sights.



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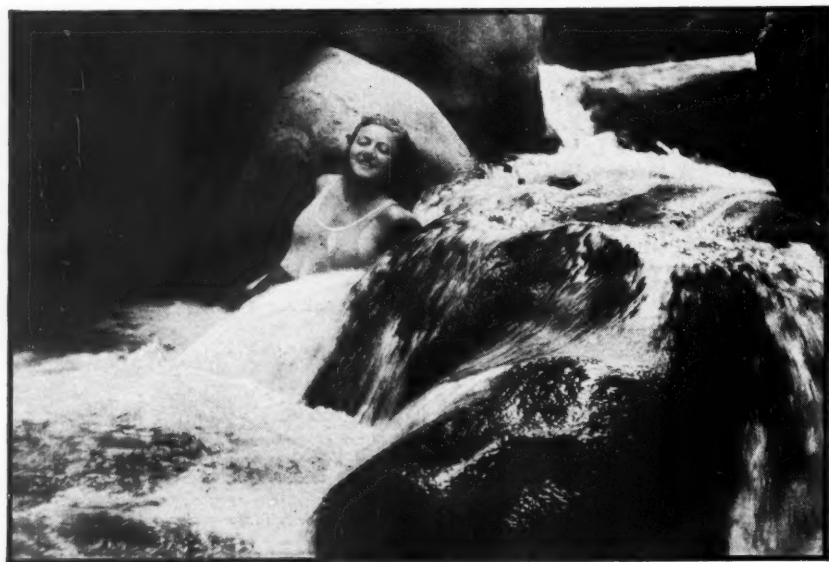
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ZION

The West Rim trail in Zion National Park comes out on the Horse Pasture Plateau, a name given it by the tawny Indians.



JAMAICA

How we enjoy ourselves if we are lucky enough to summer near Cane River Falls, British West Indies. Most of the popular tropical cruises stop at picturesque Jamaica.

home to Seattle by way of Honolulu." No wonder Hon. Nippon San smiles!

* * *

Florida in Russia

What does the Soviet proletarian do when he's not working on a five- or ten-year plan—which is about all most of us hear concerning Russia these days?

The answer comes from the Crimean and Caucasian littoral, where, along a thousand miles of Black Sea coast, numerous mountain-sheltered resorts vie for patronage.

Most favored so far, according to Intourist, travel representatives in the U. S. of the Soviet Union, is Sochi, a garden city on the coast of the Caucasus.

Here, in this "Florida in Russia", as the littoral is called because of its climatic resemblance to southern Florida, millions of Russians repair throughout the year to rest, for vacation or to recuperate.

Sochi's claim to leadership lies in its modern building program that includes hotels, sanatoria, baths, and springs.

The region boasts an average of 161 cloudless days a year, with only 68 sunless days. Sochi is protected on the north and northeast by the mighty Caucasian range, whose snow-capped peaks act as perennial sentinels of the warm shoreland.

Nearby is Matsesta, whose sulphur-hydrogen springs are rated higher than those at Aachen.

* * *

Mexico Calling

It's a far cry from the Black Sea to Mexico, but Mexico is yelling hard enough to be heard. What was once considered a land of Villa and revolutions, and a forage or two by Pershing, now anticipates 1,000,000 visitors during 1936. And not without cause.

If there's any recrimination connected with the tourist business to Mexico it's among the original visitors themselves. These originals were mostly artists, and for years they enjoyed to themselves a veritable paradise of scenic gems and corporeal comforts.

Secrets will out, however, and the word was spread. Overnight Mexico found herself in the throes of a tourist invasion. Early sorties were unsuccessful in the main, chiefly because Mexico didn't know or realize what it was all about.

Then the Mexican Government took a hand. And now?

Permitting a bromide—all roads lead to Mexico . . . steamer, rail, plane, bus and car.

Mexico City is the center of attraction, of course. The capital is undergoing tremendous transformation, and

a million dollars a day are being expended in new buildings and improvements.

Mystery and romance lie nearby to the capital, at San Juan Teotihuacan, an archaeological city which contains the Pyramids of the Sun and the Moon.

Excavations have revealed that a large city once surrounded the pyramids. Beautifully decorated frescoes and bas relief figures, statues in precious and semi-precious materials, exquisite personal ornaments, including earrings, have been found among the ruins.

Teotihuacan means "Place where the Gods reside", and is linked to unknown inhabitants, which adds mystery to the entire region.

Subterranean ruins there are believed to be the relics of the first epoch of this ancient civilization. Upper ruins are of the second epoch.

As the civilization declined new buildings were erected over the old ones, so that each successive layer depicts a new era.

By all means put Mexico on your list.

* * *

Lights Out...!

Oops! and etc. . . . We've just stumbled to the fact that this month travel's newest Queen-of-the-Seas, Cunard-White Star's *Queen Mary*,

will be put through her seaworthiness paces preparatory to her maiden voyage to New York on May 27.

With her she will not only bring several records for size (83,000 tons), speed, and whatnot, but also something novel, withal the most advanced type of lighting system evolved in Britain and America.

Our attention is attracted particularly to the lighting control in the ballrooms and verandah grill, where color tones of illumination are controlled by the pitch of notes played by the orchestra or sung!

High notes, for instance, will immediately produce color lighting of utmost brilliance.

We hate to be obvious and mention it, but what happens when the music goes 'round and around?

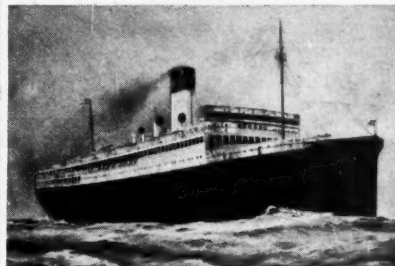
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Summer in Europe

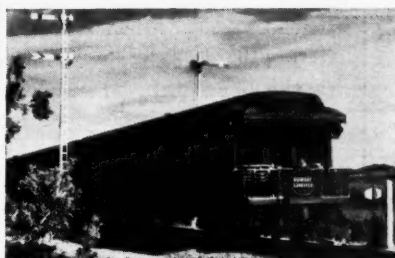
Advance steamship bookings for summer travel to Europe are developing rapidly and indicate that this year's business will approach that of the normal years before the depression.

While the trend has not yet reached a point that would justify prediction of an unusually great volume of travel, such as that to the West Indies, South America and Southern resorts, it is felt in travel circles that this is not improbable.

California by sea



and by rail



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By Roger Shaw

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Booklet, rate schedule, and information will be gladly forwarded upon request to the new Princess Hotel, Bermuda, or any authorized Travel Bureau.

Center of interest this year lies in the Olympic Games in Germany; and already thousands of steamship and hotel reservations have been registered. It is apparent from this that prospective travelers are losing any apprehension they might have felt from political unrest abroad during the fall of last year.

Reservations indicate that they are making plans for tours throughout Europe as freely as in previous years, according to Thos. Cook & Son-Wagon Lits.

Among the many events of world-wide importance attracting thousands to various European cities this year are the Conference of the Progressive Education Association in England during August; the Pilgrimage of the Canadian Legion and the British Empire Service League to the battlefields of France in July; the Bayreuth Music Festivals in July and August and the World Sunday School Convention in Oslo in July.

Various European railroads have announced special reductions in fares and hotels have readjusted their rates to the point where American travelers in the main will find that their money will buy as much in accommodations and entertainment as before the U. S. dollar was devalued and before the "bonus" dollar, if any.

* * *

Hither, Thither, and Yon

England, Scotland, and Ireland soon will be linked by air with every European capital. A passenger service between Hull and Leningrad by way of Gothenburg, Stockholm, and Helsingfors will bring London within eleven hours of the Soviet capital.

Glasgow is planning a four-and-a-half-hours' service between the Clyde and Norway; and a three-hours' service to Denmark.

The new train-ferry service between Dover and Dunkirk this year will have special garage accommodation on the upper deck for 25 cars. The car is driven right on board. The new train-ferry incidentally means that the traveler sleeps undisturbed between Victoria Station, London, and Paris, or vice versa.

To the South Manchuria Railway Company goes the laurels for printing the first travel folder in Esperanto. It is entitled "Gvidfolio per Vojaĝantoj en Manĉoukuo" and depicts fully the delights of travel in Manchukuo. To quote a sentence from it:

"La sipoj ekveturas preskau eiu-tage kaj kuras la distancon de 600 marmejloj inter Moji kaj Dairen en du tagoj."

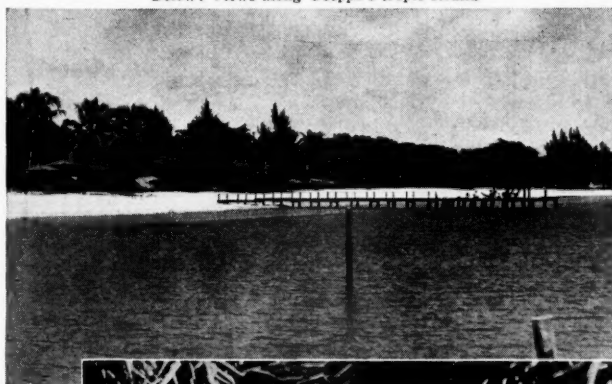
Oh, well. . . .

RAMBLER.



Above, Useppa Inn

Below: Views along Useppa's tropic strand



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For reservation or booklet—address the Manager, Mr. J. F. Vallely, Useppa Inn, Useppa Island, Lee County, Florida.

THE LITERARY LANDSCAPE

BY HERSCHEL BRICKELL

In America the pros and cons of foreign relations are being debated by a peace-loving citizenry. There are a number of able new books on the subject, as told below. And the fictionists go on forever.

IT IS A reasonably safe assumption that no more serious question faces the American people at the moment than their attitude toward the next war in Europe, which if it has not come so soon as the gloomiest of the international prophets have predicted, still appears to be clearly on its way.

Here and there one comes upon a lonely note of qualified optimism, as in Sir Arthur Willert's "What Next In Europe?" (Putnam, \$3). This trained English observer reasons that the fear of war now holding the Continent in its grip may avert the danger until peaceful means are found to resolve the potential causes of conflict.

Frightened nations with their hands full of arms and ammunition are not very encouraging spectacles, however, and until the present appalling drive for rearmament shows some faint signs of slackening, it is not possible to feel otherwise than profoundly discouraged over the prospects, or to cease to think that our most urgent problem in the field of foreign affairs is a satisfactory program of neutrality.

On Neutrality

There are several books on neutrality that will be read by people who seek more light than they can obtain from their daily newspapers or magazines. Two of the number especially written for popular consumption are: "Can We Be Neutral?" by Allen W. Dulles and Hamilton Fish Armstrong (Harpers, \$1.50), published under the auspices of the Council on Foreign Relations, and "Can We Stay Out of War?" by Phillips Bradley (Norton, \$2.75), which has an introduction by Dr. Charles A. Beard.

It is highly significant that both titles carry a mark of interrogation, and that neither volume assumes that there is anything simple or easy about establishing and maintaining a policy of

neutrality. The Dulles-Armstrong book contains the full text of the bills that have been passed by Congress in recent months, and argues that it is highly important to avoid mandatory legislation which would tie the hands of the President and handicap him in meeting changing situations.

It is a middle-of-the-road volume that tries to face facts, and it crystallizes into the assumption that perhaps

we can keep out of the next European war by removing some of the plain causes of conflict, but that in the last analysis we must decide whether or not we are willing to pay the price that neutrality will cost. In other words, history has shown plainly enough that we cannot enjoy the benefits of war-trade without running the serious risk of becoming involved, and at the same time the mere declaration of an embargo is not sufficient to keep us out of trouble.

Messrs. Dulles and Armstrong give briefly and succinctly the main points of the problem, and conclude with the assertion that we cannot, no matter how many laws we pass, free ourselves of the danger of going to war again so long as wars of any size are allowed to start. This is a general suggestion for international coöperation in the cause of peace, but without any mention of the League of Nations as the agency.

A New Movement

Mr. Bradley covers much of the same ground as the two authors just mentioned, in his historical survey. But he takes a somewhat different tack in his search for remedies by suggesting that the United States place itself at the head of a League of Neutrals, and thus lead a new movement of the nations that do not want war. Mr. Bradley seems to have kept much of his faith in covenants, treaties, and conferences in spite of the record of the post-war years, and to assume that there are countries really and honestly determined to have peace at any reasonable cost. I am puzzled to know where they are. To suggest that we act as the leaders of a League of Neutrals is to assume that we are actually more determined to have peace than other countries, although we continue to increase our armaments, particular-

Have You Read?

Road to War: America 1914-1917 by Walter Millis (Houghton Mifflin, \$3.50). In view of the current discussion of neutrality problems, Mr. Millis's fine analysis again assumes exceptional timeliness.

This Simian World by Clarence Day (Knopf, new edition, \$1.35). This best of all Mr. Day's books, a brief but edged satire on the human race, deserves far wider distribution than it has ever enjoyed.

Ruggles, Bunker and Merton by Harry Leon Wilson (Doubleday, Doran, \$2). A trilogy of great American humorous novels, all three of which have stood the test of the years, and one of the best book bargains of recent months.

Roll River by James Boyd (Scribners, \$2.50). A fine, solid American novel particularly notable for its recreation of the 'eighties and its excellent characterization.

A Yankee Saint by Robert Allerton Parker (Putnam, \$3.75). The whole story of John Humphrey Noyes and the Oneida Community, representing original research and a scholarly regard for a controversial subject.

ly our navy, and it can hardly be claimed that the danger of a war in the Pacific, which might make us anything except a neutral, has been removed from the picture of world affairs.

It is perfectly obvious, to be sure, that at the moment there is a strong sentiment for peace in this country, greatly strengthened by the fact that we are still a long way from a solution of our urgent domestic problems. But it remains to be seen, when we are actually under pressure, just how deep and lasting our peaceful inclinations will be. Our record does not indicate that we are by any means the most unwarlike people of modern times. However, so long as we have set ourselves to fashion a neutrality platform, the books I have mentioned both furnish useful information on the way to do it, although without guarantees of 100 per cent results.

A more scholarly work in this field, which will eventually be four volumes in extent, is "Neutrality: Its History, Economics and Law" by Philip C. Jessup and Francis Deak. The first volume of this is "The Origins" (Columbia University Press, \$3.75). It traces the development of the international law of neutrality from the Middle Ages to the end of the eighteenth century, and calls the "law" as it relates to neutral trading rights "a highly artificial and unreal body of illogical compromises". All the books I have read on the subject make it clear that the so-called principles of neutrality represent nothing more than a crystallization of immediate advantages of one kind or another, and are therefore of little use in formulating a platform of lasting value.

World War Aftermath

Since the whole problem of neutrality relates directly to our unsuccessful efforts to remain out of the World War, there has been a marked recrudescence of interest in the history of the years between 1914 and 1917. In addition to the Millis book recommended elsewhere in this department, the most valuable are the Lansing and House memoirs, and the fifth volume of the Ray Stannard Baker "Life and Letters of Woodrow Wilson" (Doubleday, Doran). Last month I mentioned Prof. Charles Seymour's small book, "American Neutrality" (Yale University Press, \$2.50), in which the cause of our entrance into the war was reduced to German submarines, a theory that seems to have found favor with J. P. Morgan. But the difficulty with these simple explanations is that they are too simple. Granted that it was the German submarine that broke the camel's back of our patience, it was the British blockade that forced the



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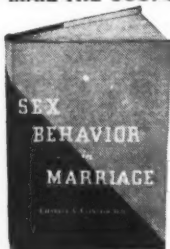
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Germans into unlimited use of the submarines, and so on.

Aside from all these plans of ours to keep out of trouble, there are other new books on the same general subject, war and peace. The Willert volume, referred to earlier, is one, and Sir Arthur's idea is that a *Pax Britannica* is about the best we can hope for. He suggests, of course, that the British assume the part of European policemen only with the consent of other nations. In other words, he still believes in the League of Nations, with the work of which he has been intimately associated. And he writes as one might expect an ex-official of the British foreign office to write, without suggesting once that England surrender a few colonies to Italy and Germany to help keep the peace.

A New Imperialism

"Powerful America: Our Place in a Rearing World" by Eugene J. Young, who is cable editor of the New York Times, offers as its solution something more nearly resembling a *Pax Americana*, which he thinks might be imposed upon the rest of the world if we would cooperate with England and France. Mr. Young's book is an argument for a new kind of imperialism, and is based upon the belief that we have a sufficient quantity of idealism and democracy to permit us to go into the export business on these commodities. He is well informed on foreign affairs, but he asks us to assume responsibilities that seem to me somewhat beyond our capacities until we have at least begun to deal with many of our urgent domestic problems. I do not see that we can spare any of our good qualities just now.

Perhaps the most striking revelation in Mr. Young's book is that it was the British who suggested the Washington Conference on Disarmament, and who passed the suggestion along to the late Adolph Ochs because they thought it might better come from American sources. Their willingness to accept parity in naval matters becomes considerably less surprising in view of this simple fact. I recommend Mr. Young's book to the flag-wavers, however; he has plenty of faith in America.

Of great scholarly interest is "The Catholic Tradition of the Law of Nations" (Catholic Association for International Peace, \$3.50), by John Eppstein. Robert Wilberforce has written a telling introduction to this splendid history of Catholic international law through the ages.

Others of the new books that deal with international affairs include John Gunther's "Inside Europe" (Harper's, \$3.50), which is a first-hand study of dictators that covers the whole Conti-

nent from Moscow to Madrid. It is Mr. Gunther's thesis that the world may have to pay a large price for the unbalanced personalities of the men who have seized power in Europe, and in addition to his excellent personal sketches, he throws in some psychology by Dr. Wilhelm Stekel of Vienna. This seems to me to matter less than that the book is a thoroughly readable and freshly informative survey of European affairs, with many amusing anecdotes and a great deal of political low-down.

The Far East is temporarily out of the picture, but will be back, and a very useful, well-informed and factual book on the subject is "The Problems of the Far East" (Lippincott, \$2) by Sobei Mogi and H. Vere Redman. The Japanese member of the partnership is a former student at the London Schools of Economics, with a left-wing bias but a large store of information. He and Mr. Redman believe that any further expansion on the part of Japan will prove dangerous. They see as a solution for the Chinese problem the setting-up of a socialistic state which would concentrate its attention on improving the conditions of the country rather than on competition with capitalistic countries for outside markets. They do not consider that relations between the United States and Japan are in danger at the moment, or that there are on the horizon any strong economic reasons for conflict; but they take into full account the pride of the Japanese and the elan of the army, which they think might easily make trouble for us.

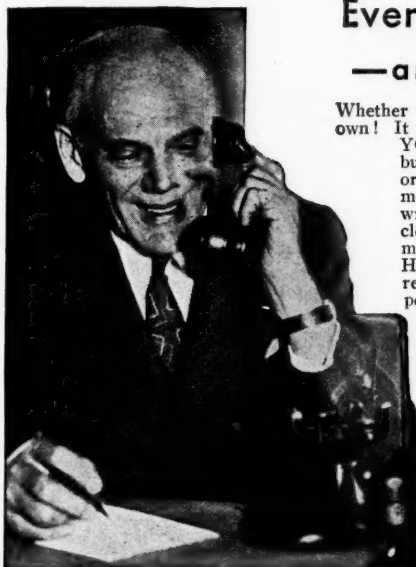
It has been called to my attention that these authors have done propaganda for the Japanese government, but a most careful reading of the present book does not disclose anything very wicked in this respect. Even if ultra-conservative readers are shocked at the thought of China's going socialist or communist, they will find the earlier chapters worth studying. The authors contend that a mechanized China run by capitalists would upset the economy of the world because of the cheapness of its products, which does not seem unreasonable as a theory.

Of Immediate Interest

Books of more immediate interest to Americans include James Rorty's "Where Life is Better: An Unsentimental American Journey" (John Day-Reynal and Hitchcock, \$2.50); "The Problem of Poverty" by John Rustgard (Appleton-Century, \$3); and Will Irwin's "Propaganda and the News: Or What Makes You Think So?" (Whittlesey House, \$2.75). Mr. Rorty made a 15,000-mile automobile trip to see what was going on in this

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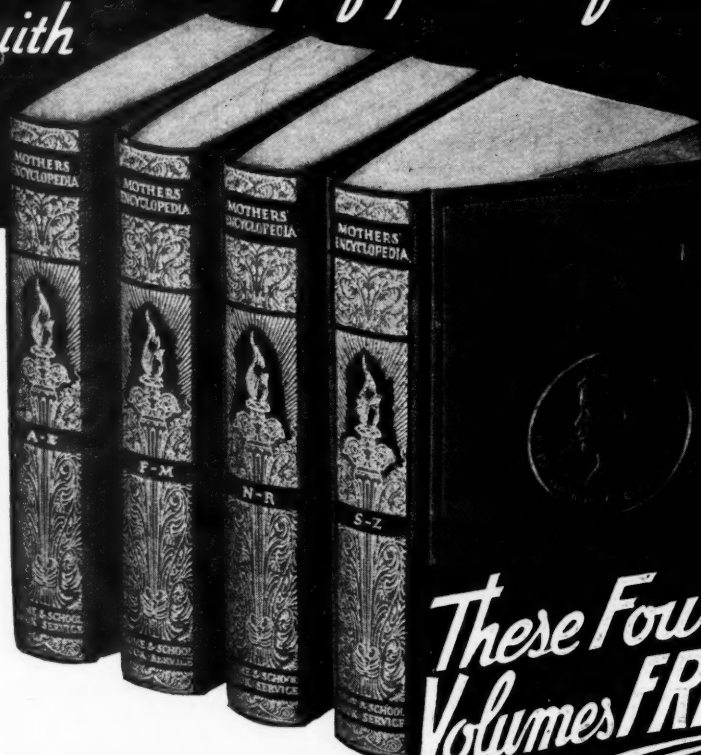
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country under the depression and emerged with the feeling that we were headed toward fascism or chaos, that nothing short of a revolution and a repudiation of the "democratic dogma" could save us, but that nobody seemed to be interested in being saved by this drastic method. Much of the writing is excellent, and much of the evidence very depressing, but the most striking thing about any book of this kind is the impossibility of crowding this country into a tight theory, which makes prophecy very risky business. Mr. Rorty is a radical without party affiliations; the chief thing he believes in is economic planning.

Self-Made, Alas

Mr. Rustgard is a self-made lawyer who has held political office in Alaska, who does not like labor unions at all, and who seems to think that the people in this country who have money constitute our only aristocracy. This would argue that the people most highly gifted with the acquisitive instinct are the only desirable citizens, which seems a little doubtful as a broad generalization. As an economist, Mr. Rustgard writes mainly from his prejudices, but he strikes an occasional note of sheer common sense in his arguments that it is difficult, if not impossible, to help people who will not help themselves. Naturally, having climbed his way up the ladder without much help, he thinks others should be able to do the same. He is opposed to high wages and paternalism, and writes at times like a fascist, which he probably doesn't suspect himself of being at all.

Will Irwin's book on propaganda is a veteran newspaperman's pleasant, entertaining, informative, and somehow not very important survey of the uses of modern propaganda in peace and war and also in politics. It contains many new stories from Mr. Irwin's own experiences, and some good ones, and it concludes that things are not bad at all in our press, and that in general truth still does its old rising act. There is a complacent air about the book that becomes more and more annoying in retrospect; Mr. Irwin's indignation is perhaps too much concentrated on what Charlie Michaelson did to Herbert Hoover to suit my own taste. I mean by this that while I thought George Seldes's "Freedom of the Press" somewhat lopsided in that it was written from a single angle of the newspaper game, I liked its belligerent manner better than Mr. Irwin's good nature. It is pleasant to hear again, however, that we have the freest press in the world at the moment, and sad to think how little competition we have.

There should be more space to talk

about Michael T. Florinsky's excellent "Fascism and National Socialism" (Macmillan, \$2.50), a study of the economic and social policies of the totalitarian state, and Marquis W. Child's "Sweden: The Middle Way" (Yale University Press, \$2.50), a fascinating book about how an intelligent little country has met its problems and even reduced taxes. Also worth noting is a new and revised edition of Walter C. Langsam's "The World Since 1914" (Macmillan, \$4.75), which has been brought down to date and therefore given additional value as a reference book.

And also, in nonfiction, Prof. Max Born's "The Restless Universe" (Harpers, \$2.50), a simple explanation of the wonders and mysteries of modern physics; Claudia Cranston's "Sky Gypsy" (Lippincott, \$2.50), the story of a 25,000-mile flight by Pan-American Airways and a good example of the travel-book of the future, with beautiful illustrations; and "Fire of Life" by Henry W. Nevinston (Harcourt, Brace, \$2.75), a selection from Mr. Nevinston's three volumes of "Changes and Chances" made by Ellis Roberts and introduced by John Masefield. This is a book by a famous journalist that will richly repay investigation both for style and for varied contents.

A Great Novel

Even if one swallow does not make a summer, one really distinguished novel can make a lot of difference in the feelings of a reviewer suffering from the belief that fiction was in a slump. The novel in this instance is George Santayana's "The Last Puritan" (Scribner's, \$2.75), the product of fifteen years of work on the part of a philosopher who had never written fiction before. It is long, more than 600 pages; and it is not to be read hurriedly, but to be chewed and digested, for it is a book of genuine substance. It is also a book of great humor, of many delightful epigrams, and of a remarkable series of pictures of New England and English life. The characters, as the author admits, all talk like Santayana, thus violating one of the conventions of fiction, and there are other faults for the captious, but they dwindle to nothing by the side of the pleasure to be had from this close contact with a brilliant and civilized mind.

It was a remarkable turn of affairs in a man's life that brought the youthful half-Spaniard Santayana to New England at the age of eight and kept him there as a famous teacher of philosophy until he resigned and departed this country in 1913, since when he has lived in Rome. And it is a remarkable novel that has resulted from

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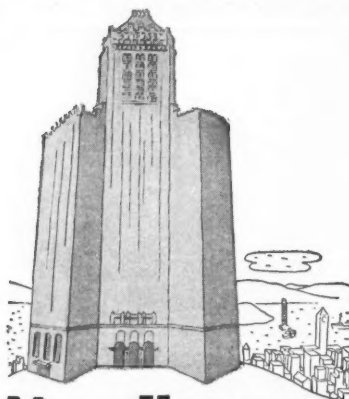
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his experience, a personal, universal, poetical, philosophical, tender, sometimes puzzling, and altogether delightful piece of fiction which overshadows everything else in its field published for a good while.

An excellent book to read with "The Last Puritan" is Harvey Fergusson's "Modern Man: His Belief and His Behavior" (Knopf, \$2.50), in which an intelligent young novelist turns philosopher, thus reversing the Santayana process. Mr. Fergusson has taken himself as a laboratory example and has made highly suggestive discoveries. His solution of our universal dilemma is not an easy or a simple one, but Santayana's hero would have been happier if he had known about it and followed it. Mr. Fergusson's book is a good example of honest thinking and a serious effort to work out a satisfactory philosophy for himself.

More Fiction

There are other good novels in addition to "The Last Puritan", several of them. They include Agnes Sligh Turner's "The Rolling Years" (Macmillan, \$2.50), the story of a Scottish farming community in western Pennsylvania from 1852 to 1910, with the emphasis on the homely details of life, a regional novel with a great deal of authentic charm; John Steinbeck's "In Dubious Battle" (Covici, Friede, \$2.50), the bitter and dramatic story of a strike in the fruit belt of California and one of the most artistic of the proletarian novels to date; Frances Frost's "Innocent Summer" (Farrar and Rinehart, \$2.50), in which a distinguished poet writes a story about children in a Vermont village that evokes young memories with great success; E. M. Delafield's "Faster! Faster!" (Harpers, \$2.50), the tale of a modern woman named Claudia Winston, who thought she was running the world and making a good job of it, but who finally discovered her relative unimportance; and "The Hurricane" by James Norman Hall and Charles Nordhoff (Atlantic Monthly Press—Little, Brown, \$2.50), a modern novel of a South Sea Island by the authors of the famous "Bounty" trilogy, which is a swinging, exciting, well-told yarn.

These are all worthy of recommendation, as each has its individual excellencies, although the unshrinking brutality of certain passages in Mr. Steinbeck's book may not please all its readers. To the list might be added a few others of less general appeal, such as Reuben L. Davis's "Butcher Bird" (Little, Brown, \$2.50), a Negro story in which the dialect is of a strongly colloquial turn that will make it puzzling to some; Arna Bon-temps's "Black Thunder" (Macmillan,

\$2.50), a well written novel of an attempted slave revolt in Virginia in 1800, with an admirably done background; and Frank Pollard's "East Indianman" (Little, Brown, \$2), a realistic picture of life in England a century and a half ago that is honestly done and amusing in its unsparing veracity.

The Negroes Rise

The historical material for "Black Thunder" is scanty, but Mr. Bon-temps has made as much of it as anybody could ask and has written of the Virginia countryside as one who knows it and loves it. The sketch of the life of the times that forms the background is also well done and vivid, and such characters as old Ben, a house Negro, who remained true to the whites, and the beautiful mulatto Melody are very completely realized.

The author also has "God Send Sunday" to his credit and shows a considerably increased stature in his new book, which very easily takes its place among the best of the novels we have had from the people of the black race.

Those who are looking for no more than entertainment in their fiction will find it, I think, in such new novels as Anna Gordon Keown's "Mr. Theobald's Devil" (Morrow, \$2), provided they can bear the humors of English village life; in Arthur Behrend's "The House of the Spaniard" (Doubleday, Doran, \$2), a romantic adventure story in the Stevenson tradition; and in "The Maker of Heavenly Trousers" by Daniele Varé (Doubleday, Doran, \$2), a love story in a Chinese setting by a well-known Italian diplomat.

Horror Is Fun

My adviser on mystery stories tells me that the following list includes some of the best that have been published since last month: "Murder for What" by Kurt Steel (Bobbs-Merrill, \$2); "The Loss of the Jane Vosper" by Freeman Wills Crofts (Dodd, Mead, \$2); "The Corpse With the Crimson Slippers" by R. A. J. Walling (Morrow, \$2); "Judge Robinson Murdered!" by R. L. Goldman (Coward-McCann, \$2); and "Death of an Eloquent Man" by Charlotte Murray Russell (Crime Club, \$2), all of which belong to the deductive classification. A good new horror story is "The Motives of Nicholas Holtz" by Alexander Laing and Thomas Painter, who concocted "The Cadaver of Gideon Wyck" (Farrar and Rinehart, \$2). A good story of international intrigue is E. Phillips Oppenheim's (wouldn't you know it?) "Floating Peril" (Little, Brown, \$2).

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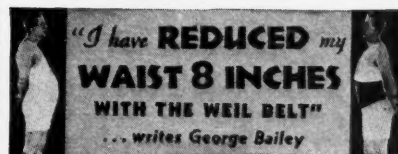
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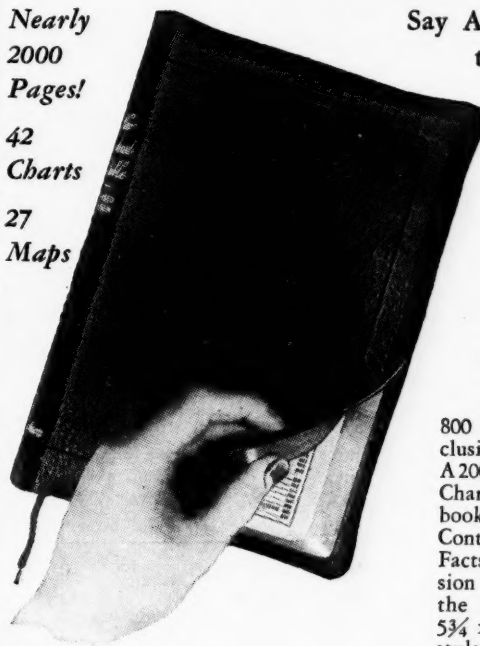
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Detroit to Boston	2.55	1.40	1.15	3.25	2.10	1.15
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